

# The National Underwriter

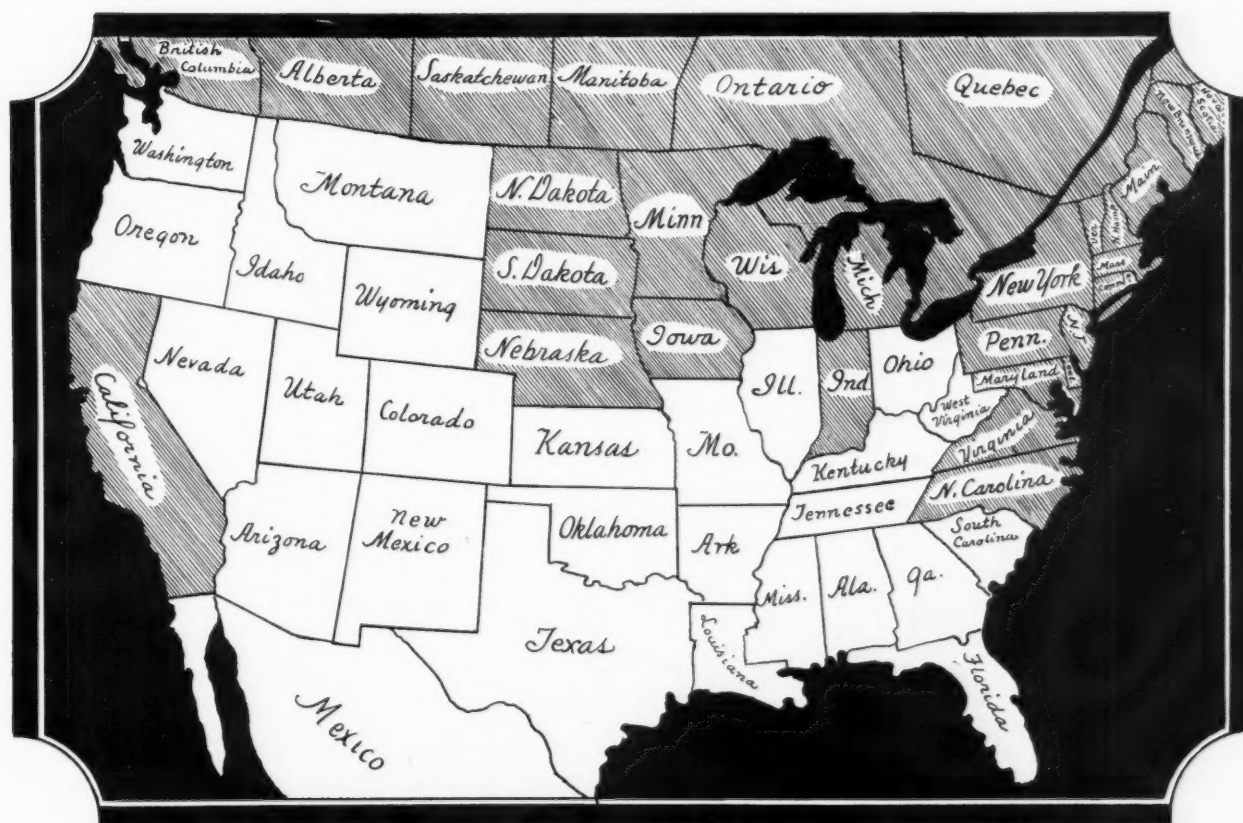
A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, OCTOBER 4, 1934

## SERVICE

*throughout the United States and Canada*

American States through a national network of Recommended Insurance Attorneys and Adjusters can give prompt and courteous service without delay to any policyholder having a claim in the United States or Canada.



■ Represents States and Canadian Provinces, now having Responsibility Laws . . . . .

TWENTY-TWO states and EIGHT Canadian provinces now have Financial Responsibility Laws. The American States is in a position to supply and file the necessary evidence of responsibility in any of these twenty-two states or provinces of Canada. In addition, the American States agrees under the Liability and Property Damage coverages of its policy to provide a Release of Attachment Bond in event the policyholder's car is attached in any civil proceeding arising from an accident.

**AMERICAN STATES INSURANCE COMPANY**  
INDIANAPOLIS, INDIANA

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# The National Underwriter

Thirty-Eighth Year—No. 40

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 4, 1934

\$4.00 Per Year, 20 Cents a Copy

## Must Soon Make Choice, Cole Says

Company Conference or State Department Relief Are Alternatives

### TALKS AT VERMONT MEET

Makes First Address as President of the National Association of Insurance Agents

In his first address as president of the National Association of Insurance Agents, E. J. Cole of Fall River, Mass., told the members of the Vermont Association of Insurance Agents at Rutland that a choice soon must be made between the way of conference and the way of appeal to state insurance departments and legislatures for relief, so far as agents are concerned, from unfair competitive practices.

The issues which prompted the National Association of Insurance Agents to file an NRA code still remain and other means, he said, will be exerted to purge the business "from the abuse of unfair practices that has engulfed the American agency system and threatens its future."

#### Alternatives Are Presented

"Must we chart our course," he asked, "in the direction leading to the 48 state departments to obtain relief as prescribed in the code decision, or will the cobwebs be brushed away and the door of conference be again opened and the interested party, by common judicial procedure, determine the issues?"

"The National association is prepared to move in either direction but would prefer to avoid the road to the state house. A choice must soon be decided upon. Several state associations have already contacted their state departments and we are informed that the officials have lent a willing ear to their complaints. If the tide sets definitely in that direction the opportunity for self determination is lost.

#### Asks Pertinent Question

"What stands in the way of an agreement through conference? We know that many companies, perhaps the majority of them, would welcome the establishment of amicable company-agent relations. Is it because the organization and non-organization companies are not in accord, and if so, why cannot such differences be compromised?"

"The interested parties might well read the handwriting on the wall. It is plain that the next step in the National Recovery program is along the lines of a balance rather than a planned method of recovery, which will permit private initiative of business to be restored. This can only be obtained through the medium of cooperation. Business can no longer continue in a field of pure in-

## Vermont Association Holds Annual Meeting at Rutland

E. J. COLE FEATURED SPEAKER

Committee Member from Each New England State to Deal with Unethical Practices

### NEW OFFICERS ELECTED

President—George Kent, Barre.  
Vice-president—C. Lawrence, Springfield.  
Secretary-treasurer—A. C. Mason, Rutland (re-elected).  
Executive committee—E. J. Livingston, North Troy, chairman; S. C. Dorsey and W. H. Wills, Bennington; J. T. Dizer, Bellows Falls; D. J. Branon, Newport; A. L. Maynard, Brattleboro; A. W. Hawkinson, St. Johnsbury.

President E. J. Cole of the National Association of Insurance Agents made his debut as president, addressing 150 people attending the 29th annual meeting of the Vermont Association of Insurance Agents at Rutland. He spoke of what had been accomplished in Washington. He said cooperation and friendly relations were never needed so much as now. A few years ago the E. U. A. could not agree among its members on the rate of commission to be paid and asked the agents to aid them in settling the matter. They promised that the abuses would be stopped, Mr. Cole said.

Not one of the pledges made at that time had been kept. He emphasized that these abuses must be stopped, either through conference, which he much preferred, or the state legislature.

T. C. Cheney, chairman New England advisory board, told what the board had done during the last six months. He is appointing a committee composed of one member from each of the New England states to prepare formal complaints of the unethical practices of some of the companies which will be presented to the New England insurance commissioners at the next meeting of the board.

#### Support Ethical Companies

Mr. Cheney said that he felt the time had come when the agents must show their appreciation to those companies that were loyal to them by sending them their business. If the agent continued to represent unethical companies, giving them a considerable portion of their business, the ethical companies would become discouraged and join the other group. A number of prominent agents have assured him of their support when the roll is called.

The opportunity to develop miscellaneous lines in the casualty business were discussed by E. C. Knapp, field supervisor of the Aetna, and that company's moving picture, "Saving Seconds, Saving Lives," was shown.

Former President S. C. Dorsey, Rut-

land, called the meeting to order and gave his annual report. This was followed by the report of the secretary-treasurer, A. C. Mason, also of Rutland, who was re-elected. His report showed a total membership of 119, a gain of 20. Vermont, in proportion to its population, has more agents in its association than any other state. The condition of the treasury is good with all bills paid and an \$800 cash surplus. George Kent and E. F. Livingston, delegates to the National convention, gave their reports.

## Unprotected Risk Question Being Studied in the East

COMMITTEE IS NOW AT WORK

Much Interest Is Taken in the Survey of Farm Underwriting Now Unprofitable

NEW YORK, Oct. 3.—While the committee named by the organization companies to study the record of unprotected risks throughout the east some months ago, is still pursuing its investigations, it is unlikely that any move will be made to increase rates upon the class in view of the loss experience of the business as a whole. Though the burning record of unprotected properties improved somewhat in 1933 over that of previous years, the class was yet unprofitable and may continue so indefinitely. Farm business in the east particularly has long been a drain upon the companies writing it. Even those that established special departments for its handling failed to score anything approaching a profit.

#### Policy of the Mutuals

That risks of this class can be written and made to yield a reasonable profit by the county mutuals, is the result of difference in their underwriting methods. Knowing the standing of every farmer in their respective communities, and the salable worth of his property, they carry a line on the risk in keeping with the market value, not what the buildings cost to erect, thereby removing all incentive to arson fires. This virtual appraisal of each risk is impracticable so far as the stock fire companies are concerned. Similarly, application of the three-quarters value and the three-quarters loss clause, both of which have been tried, fail to meet the situation. If farm business is ever to be placed on a basis that will make it desirable for the stock office to solicit, some method of underwriting, other than that thus far suggested, will have to be devised.

land, called the meeting to order and gave his annual report. This was followed by the report of the secretary-treasurer, A. C. Mason, also of Rutland, who was re-elected. His report showed a total membership of 119, a gain of 20. Vermont, in proportion to its population, has more agents in its association than any other state. The condition of the treasury is good with all bills paid and an \$800 cash surplus. George Kent and E. F. Livingston, delegates to the National convention, gave their reports.

#### Committee Members Named

W. H. Wills, Bennington, was named to head the legislative committee. Other members are S. S. Watson, St. Albans; T. C. Cheney, Morrisville; C. T. Pierce, Montpelier; T. F. Leary, Burlington; A. W. Aiken, Newport; L. D. Taylor, Brattleboro; J. E. Trow, Burlington, and S. C. Dorsey, also on the executive committee.

L. G. Elwell, Boston, won the horse shoe pitching competition with N. L. Smith, Brandon, runner up.

## Clarence Palmer Heads Conference

North America Man Elected President of Insurance Advertising Conference

HOLD MEET AT RYE, N. Y.

Retiring President Putnam Emphasizes Highway Safety Work and Financial Independence Week Campaign

### NEW OFFICERS ELECTED

President—Clarence A. Palmer, Insurance Company of North America.  
Vice-president—Arthur A. Fisk, Prudential.  
Secretary-treasurer—Arthur H. Reddall, Equitable Life of New York.  
Executive Committee—A. W. Spaulding, Hartford Accident; Ray Dreher, Boston; Stuart Benedict, Metropolitan Life; H. H. Putnam, ex-officio.

#### By DOROTHY B. PAUL

RYE, N. Y., Oct. 3.—The Insurance Advertising Conference opened its annual meeting with about 60 in attendance at the Westchester Country Club Monday, with President Henry H. Putnam, John Hancock Mutual Life, presiding at the first session. In his report Mr. Putnam discussed chiefly the work done by the highway safety committee and the financial independence week campaign. He said the conference was the first organization to take up the campaign against automobile manufacturers overemphasizing speed. Mr. Putnam suggested that each state be urged to apply part of its revenue from motor vehicle revenues to enforcement of safety regulations.

Plans are under way for financial independence week in 1935 and Mr. Putnam advised all members to make suggestions and assist the new committee in every way possible.

Mr. Putnam said for the first time the doors of the annual meeting were open to non-members and suggested that this policy would result in an increased membership.

#### Financial Condition Good

A. H. Reddall, Equitable Life of New York, and secretary-treasurer of the organization, gave his report which showed the conference to be in excellent financial condition with a surplus over last year. He was followed by J. W. Mason, London Assurance, who spoke for the membership committee. A gain of 13 members has been made since the last meeting, bringing the total to 123.

Through the efforts of the frontier safety committee the conference has been active in subduing unjust criticism of insurance. A change was made in the personnel during the past year as Stanley F. Withe, Aetna Casualty, succeeded the late C. S. S. Miller.

Harry A. Warner, Maryland Cas-

(CONTINUED ON PAGE 12)



## Report Agreement Is Near in War Between Two States

### RESIDENT AGENCY QUESTION

Expect Conference to Be Held Soon by  
Pennsylvania and New Jersey De-  
partment Officials

PHILADELPHIA, Oct. 3.—Reports are strong in Philadelphia that the New Jersey and Pennsylvania departments are soon to confer in an effort to reach an amicable settlement in the resident agent situation which has resulted in a "war" between the states.

Officially, the Pennsylvania department would not admit that such a meeting would be held. However, it would not deny the report. Unofficial information from informed sources asserted that the conference would take place in the near future and that the suggestion for the session was made by New Jersey.

The Pennsylvania department announced officially that it had extended the deadline, which was to have been today, and would give all the agencies affected by its retaliatory measure against New Jersey ample opportunity to file appeals or make whatever changes were necessary in residences or firm set-ups.

#### Pennsylvania Department's Position

As long as the present situation remains unchanged, the Pennsylvania department will make no exceptions to its rulings. All firms where any member resides in New Jersey will not be licensed until that member has either resigned from the firm or moved his residence to Pennsylvania.

Of the 12 agencies affected, all but four have now come within the law. One of the agencies on the original list of five—Tift, Laver & Co.—was found to have separate corporations in each state with the resident partner running the office in his state. As a result, this office has been placed on the approved list.

Three of the agencies will have their licenses renewed as the affected partner is not active in the underwriting. They are Creth & Sullivan; Wagner-Taylor, and Leonard M. Addis & Co. Five of the offices solved the problem by having their affected firm members move to Pennsylvania. They were Hoskins & Howell, Robert M. Coyle & Co., Reeves-Shafer, Mather & Co. and Hutchinson, Rivinus & Co. W. S. Detwiler & Co. is a New Jersey corporation and Mr. Detwiler is still undecided as to whether to organize a separate Pennsylvania corporation or whether to run the agency under his own name and to incorporate a separate firm for the brokerage. A. L. & F. B. English, Snowden & Co., and Beidler & Bookmyer are still undecided as to what steps they will take.

#### Blame New Jersey Local Agents

Blame for the entire situation is placed by everyone concerned on the New Jersey Association of Underwriters which had the New Jersey legislature include the mandatory provision that no one but residents of the state could be licensed as agents in the insurance laws about three years ago. The intent of the law, it is said, was aimed primarily at the New York offices which were taking away the big lines in northern New Jersey. At the last session of the Jersey law-making body, a bill was introduced to amend the law so as to read residents of the state or having their principal office in the state. This passed the house but failed in the senate.

When this measure failed of passage and the New Jersey department insisted on enforcing the resident agent law, the Pennsylvania department felt that

## Old-Timer Back



WILLIAM F. DUNBAR  
Atlanta, Ga.

Manager W. F. Dunbar of the South-eastern Underwriters Association at Atlanta trekked back to Memphis, Tenn., this week to be one of the main figures in celebrating the 75th anniversary of the Memphis Insurance Exchange. It was appropriate that Mr. Dunbar should be on hand. He became secretary of the Memphis Exchange in 1903 and served in that capacity for many years. In his talk he related a number of humorous and interesting incidents that occurred while he was in that office. Mr. Dunbar is a real orator. He did excellent service in Memphis and is highly esteemed by the agents there.

nothing remained for it to do but to invoke the retaliatory provisions of its laws.

Unfortunately, the only sufferers appear to be innocent Philadelphia agents, who have been making their homes in New Jersey but have been confining their business activities to Philadelphia.

#### Harris Leaves Sussex Fire

Archie Harris of Newark, special agent Sussex Fire, has resigned. He has been in the New Jersey field for a number of years.

## THE WEEK IN INSURANCE

Clarence Palmer was elected president of the Insurance Advertising Conference at its meeting in Rye, N. Y., this week. **Page 1**

E. J. Cole, in addressing the Vermont agents, makes his first public appearance as president of the National Association of Insurance Agents. **Page 1**

Vermont Agents hold annual meeting. George Kent elected president. **Page 1**

Tennessee Association of Insurance Agents holds annual meeting in Memphis. **Page 8**

Oklahoma Insurers hold annual meeting in Oklahoma City. Addison Sessions is named president. **Page 11**

E. V. Thompson of St. Louis is elected president of the National Association of Mutual Insurance Agents at the annual meeting in Washington. **Page 3**

The Monarch Fire of Cleveland has announced that it will sell 200,000 additional shares at \$7.50 a share. **Page 10**

Several changes and promotions in National Surety's head office staff put in effect. **Page 28**

Fifty percent increase in automobile production is reported in first eight months but auto premiums affected by low prices of cars. **Page 23**

## Market Value Oct. 1 to Be Basis for Connecticut Tax

### TOTAL PAYMENT IS SIX MILLS

More Equitable Means of Levying Tax  
Still Under Discussion—New  
Legislation Expected

HARTFORD, Oct. 3.—The fair market value of the insurance stocks of Hartford companies as of Oct. 1, will determine the amount of tax which these companies will pay to the state of Connecticut in February, 1935. Forms were mailed to the companies by State Tax Commissioner William H. Hackett for the purpose of filing the two mill tax on the shares of the companies. The fair market value of the stocks will be determined by the state board of equalization through checking with brokers in Hartford and other cities in Connecticut.

#### Stockholders Tax Levied

Commissioner Hackett also issued to insurance companies forms for the purpose of reporting names and addresses of stockholders as of Oct. 1. They must be returned by Oct. 15 and will be used for the purpose of levying a four-mill tax on state insurance companies payable in February, 1935.

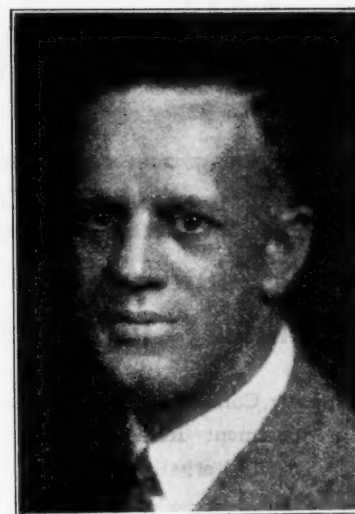
Records at the state tax commissioner's office show the following price levels on insurance company shares as of Oct. 1:

	1932	1933	Bid	1934 Asked
Aetna Casualty	.39	45	50	51
Aetna Fire	.30	29	39	40
Aetna Life	17½	17	15	16
Automobile	.16	17	19½	20½
Connecticut Gen.	.39	27	24	25
Hartford Fire	.38	43	51	52
Hartford St. Boil.	.39	48	60	63
National Fire	.36½	45	51	52
Phoenix Fire	.41½	57	64	65
Rossia	.4	5	6½	Listed
Travelers	.395	385	402	410

It would not be possible to give the final "fair market value" of the stocks for Oct. 1, because deductions are allowed for foreclosed real estate. However, the figures for 1934 represent the actual market value of the stocks as of Oct. 1.

It was against this very method of taxation that the companies raised such a cry at a hearing before the tax commission last winter. Executives asserted that the method was obviously unfair and that any arbitrary date would not necessarily reflect the true market

## New President



CLARENCE A. PALMER

Clarence A. Palmer of Philadelphia, advertising and publicity manager of the North America group, was elected president of the Insurance Advertising Conference at its annual meeting this week. He is regarded as an outstanding man in his activities.

worth of the shares. The commission countered with a request that the companies bring in a better method. The question is still being discussed and it is expected that at the coming session of the state legislature remedial laws will be passed which will be more to the liking of the companies and which will still maintain for the state of Connecticut practically the same tax revenue as heretofore. Insurance taxes are a large item in the state's income.

## Release Companies from Marine Pact in California

NEW YORK, Oct. 3.—To place all companies doing fire, casualty and marine business in California on an equal footing, the joint committee on interpretation and complaint has issued a bulletin releasing all companies in their operations in that state from their obligations under the articles of agreement in connection with the nationwide marine definition, and suspending the committee's jurisdiction over California operations pending settlement of negotiations now going on between the committee and the California insurance department.

The bulletin states that the order of the California department promulgating and construing the nationwide definition leaves undetermined important questions of underwriting authority in the state. The specific cause of the action was not given.

The same bulletin announced that Delaware has permitted the writing of personal property floaters, otherwise known as householders comprehensive policies.

Kentucky this week also modified the marine definition to permit the writing of householders comprehensive form.

#### Roy Gladden Resigns

Roy Gladden, who has been special agent for the Great American group in New Jersey for about five years, has resigned. He has been in the New Jersey field for about ten years.

#### Morales Dies of Injuries

Charles M. Morales, special agent for the Hartwig Moss agency of New Orleans, died as a result of injuries suffered when he was struck by a motorcycle in September. He had been affiliated with the agency about 25 years.

Many complications arise over enforcement of retaliatory law in Pennsylvania on account of New Jersey resident agency law. **Page 2**

Means of stimulating sale of residence burglary insurance being considered by National Bureau of Casualty & Surety Underwriters. **Page 27**

Illinois is ninth state to invoke retaliatory law against New York casualty companies as result of provocative New York law requiring deposit or surety bond to guarantee payment of compensation claims. **Page 29**

Saving of \$2,000,000 yearly in automobile public liability and property damage premiums estimated to result from revised rates put in effect Oct. 1. **Page 28**

Big casualty convention and cruise to Bermuda will start next week. **Page 29**

William Leslie shows need of public relations work in casualty insurance in talk before Insurance Advertising Conference. **Page 27**

Additional premium demands of State Farm Mutual are criticised in Michigan. **Page 33**

The R.F.C. announces that a loan of \$750,000 has been made to permit the purchase of additional preferred stock in the Standard Accident. **Page 30**



### Frank Priest Likely to Be Finance Chief Again

NEW YORK, Oct. 3.—In all probability Frank T. Priest of Wichita, Kan., who was elected to membership on the executive committee of the National Association of Insurance Agents at its recent annual convention, will continue as chairman of the finance committee as well, a post he has held for some time. From this it is not to be assumed that the chairman of each of the other standing committees of the organization will, because of that connection, likewise serve on the executive committee. While the suggestion that standing committee chairmen become ipso facto members of the executive committee has been advanced from time to time, and may eventually come about, there is no immediate prospect of its adoption. The work of the finance committee is so intimately related to the affairs of the National association that it seemed to its officials highly desirable that the chairman of the committee also hold membership on the executive body, and thus be in constant touch with its operations and problems.

### Nova Scotia for Resident Control

HALIFAX, N. S., Oct. 3.—Holding that since fire insurance business is controlled by provincial laws, it should be carried out through provincial channels, the Underwriters Board of Nova Scotia presented a resolution that only general agents resident in the province should do business therein. This proposal is being submitted to the companies for their opinion, and should 51 percent of those in the province favor the plan, the rest must fall in line.

Should the plan be enforced, it would bear particularly heavily on agencies in St. John, N. B., where a number of firms have general agencies for the maritime provinces with local representatives in Nova Scotia who report to their offices. New Brunswick would probably retaliate with a similar requirement, although it is claimed that only one Nova Scotia firm is doing business there.

### Receiver for Mead Agency

COLUMBUS, O., Oct. 3.—Upon the application of an insurance company, Judge Leach in the common pleas court here appointed C. O. Dun receiver for W. H. Mead, Jr., who conducted an insurance agency here and at Pataskala, O. Later Mead went into the federal court and confessed bankruptcy.

### HOLC Insurance Man in Talk Before Mutual Agents

#### LINTNER TELLS DIFFICULTIES

E. V. Thompson of St. Louis Elected President at Annual Meeting in Washington

WASHINGTON, Oct. 3.—Current problems of the insurance industry were taken up for consideration at the annual meeting in Washington last week of the National Association of Mutual Insurance Agents.

Better cooperation between the companies and the agents was the keynote of the convention, A. R. Peters, president, declaring that in the final analysis it is the companies that will derive the greatest benefit from the work of the organization.

"We want them always to feel free to use our organization," President Peters declared, "as a means of spreading the gospel of mutual insurance. We want their assurance that we are free to call upon them for the advice which we know we need to bring the job which we have set our hand to, to a successful conclusion."

#### Says Giants Have Fallen

"Never before in the history of the insurance business has mutual insurance stood in a more favorable light," he told the meeting. "We have gone through one of the greatest business depressions that America has ever witnessed. During these trying times, companies which previously were thought of as Gibralters in financial strength have toppled and fallen, and the paths of insurance today are strewn with the wrecks of once noble insurance companies."

"In all the chaotic conditions that have existed in the past five years mutual insurance, due to the soundness of its principle, management of its companies and the stability of its finances, has shone forth as a beacon light. We are proud of our mutual companies and their management. Companies that have withstood the ravages of the depression in such a noble fashion deserve to be represented by men of the highest character. We cannot take lightly the responsibilities which are ours as representatives of mutual insurance."

The Home Owners Loan Corporation is servicing insurance policies at a rate of 8,000 a day and to date has 650,000 policies in its files, the insurance men were told by A. L. Lintner, chief of the

(CONTINUED ON PAGE 25)

### President Issues Fire Prevention Proclamation

President Roosevelt has issued a proclamation, designating the week beginning Oct. 7 as fire prevention week. He urges state and municipal officials, civic and commercial organizations, school authorities, the clergy and the press to emphasize the danger of and needless waste caused by fire and to encourage the study of ways and means whereby fire hazards and the disastrous consequences of fire may be prevented as far as possible.

"Disastrous fires," the proclamation states, "destroy each year property of many kinds to a total greater than the whole value of all property in the nation in the days of our forefathers. This loss seriously offsets our normal gain in national assets."

"It is the simple obligation of every citizen to realize, knowing this, that a large proportion of these fires can be prevented by the exercise of proper care and by the use of appropriate fire prevention measures."

"I call special attention to the unfortunate fact that a very large percentage of fires in every part of the nation is caused by acts of individual carelessness and that millions of dollars worth of property could be preserved each year by the realization on the part of the individual of his or her responsibility to the community."

### R. F. C. Interest Rates Cut

WASHINGTON, Oct. 3.—It was announced by the R.F.C. that on Jan. 1, 1935, its dividend and interest rates on preferred stock and capital notes will be reduced from 4 to 3½ percent; the lower rate will prevail until April 1, 1939, when it will return to its present level until the obligations are retired.

This action, it was explained, was approved by the President and is in accordance with the policy "to further encourage banks, trust companies and underwriters to loan in aid of national recovery on as favorable terms as are consistent with sound practice." The rate changes will apply to all capital notes and preferred stock now held or to be acquired by the corporation.

### Hit by Labor Union

The St. Paul F. & M. has run into labor trouble in its home city. The St. Paul Trades and Labor Assembly sent out a notice blasting the St. Paul F. & M. because it awarded a painting contract to a non-union concern.

### Rate Credit for Telephones on Farm Premises Sought

#### CLIFF JONES MAKES DEMAND

Kansas City Leader Comes Out in Favor of Recognizing Value of Fire Fighting Utility

KANSAS CITY, Oct. 3.—It is understood that those interested in seeing a credit in fire rates granted for a telephone on the premises of farms are not disposed to drop the matter, and will this fall make a stronger bid than ever for such recognition. Farmers, agents writing farm insurance, and telephone companies giving rural service are more or less uniting their efforts to secure it. They cite many cases where the spreading of the alarm by telephone companies has brought help quickly and greatly reduced the fire loss. Neighbors for miles around hear the alarm, and, coming in their automobiles, bring pails, blankets, etc., and help to put out the fire, or keep it from spreading to other buildings. Fire departments have also been called from neighboring towns by telephone and in many cases have prevented heavy loss.

Undoubtedly there will be an insistent demand that credit be given by the fire insurance rating bodies in the near future. Several methods have been proposed for recognizing the fire protection value of a telephone: First, to give a direct credit of, say, 5 to 10 percent in the rate; second, to provide a charge for the absence of a telephone; and, third, to attach a warranty to the policy, providing that a telephone be maintained and that if, when a loss occurs, there is no telephone service, the amount paid to the insured will be reduced by, say 5 or 10 percent.

#### Situation Called Alarming

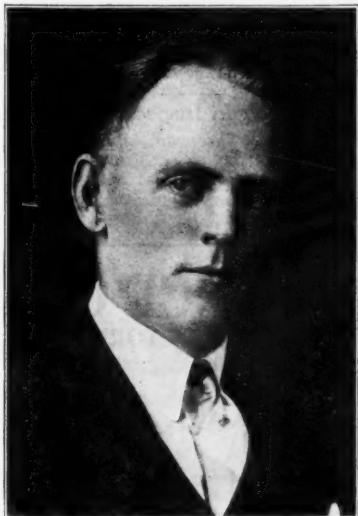
Cliff C. Jones, president of R. B. Jones & Sons, of Kansas City, points out that so many farmers and suburban dwellers have ordered their telephones discontinued that a number of the agencies, especially in farm writing departments, are alarmed about the situation, inasmuch as many fires have been extinguished on farms by calling for help over telephones.

Mr. Jones quotes a number of farm writing agents as to the value of telephones including Rosse Case of Marion, Kan., and Herman Fricke, Jr., of Madison, Neb.

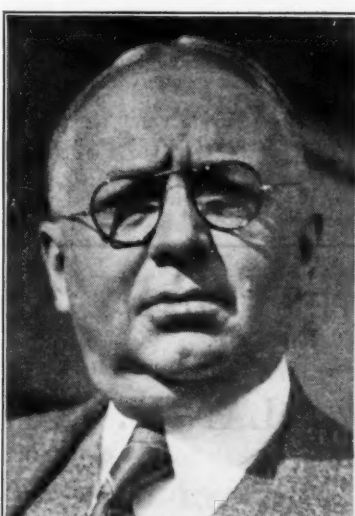
Albert Menard of Macon, Ga., reports

(CONTINUED ON PAGE 25)

## SPEAKERS AT THE TENNESSEE AGENTS CONVENTION



H. D. FORESTER  
L. & L. & G. State Agent



J. S. TOBIN  
Tennessee Commissioner



SIDNEY O. SMITH  
Gainesville, Ga.



LAURENCE E. FALLS  
Vice-president American

**20TH IN AGE . . .**  
**35TH IN PREMIUM INCOME**

# 1ST IN Independence

*How do you rate a Company? By Age?*

The Camden Fire is 20th on a list of the Oldest American Stock Fire Insurance Companies. ★ ★ ★

*How do you rate a Company? By Size?* The Camden Fire is 35th in Premium Income among the 339 Companies doing business in America in 1933. ★ ★ ★

*How do you rate a Company? By Independence?* The Camden Fire is the *only one* of the 35 Largest to remain outside of groups or combinations. It is the Largest of the 4 Oldest Companies which are independent of fleets or subsidiaries. ★ ★ ★

The Camden Fire Insurance Association is a Member of the National Board of Fire Underwriters and co-operates with all accredited underwriting organizations.

It is not affiliated with any fleet or group; does not control nor is it controlled by any holding company; maintains no casualty subsidiary. Independent spirited Agents are proud to represent this

"Free Action" Company!



AD 1841

*1841 Marching Forward to Our Hundredth Year 1934*

**CAMDEN FIRE INSURANCE ASSOCIATION** ★ ★ ★ *Camden, New Jersey*

★★★

## NEWS OF FIELD MEN

### Illinois Pond to Get Award

**Blue Goose to Have Banquet When Grand Nest Prize Will Be Given**

The Illinois Blue Goose will give a reception and dinner at the LaSalle hotel on the evening of Oct. 15. At that time the cup awarded by the grand nest to the pond making the largest membership increase will be given to Illinois by Past Most Loyal Grand Gander L. H. Bridges of the Home and will be accepted by C. W. Ohlsen, western manager of the Sun, who was most loyal gander during the time of the membership record. There will be no initiation at this meeting but there will be a floor show. Members will be allowed to take guests. The committee in charge consists of John Chickering, agency superintendent, Sun, chairman; J. P. Guy, America Fore, and O. S. Peterson, Home of New York. Most Loyal Gander A. T. Ahlin will preside.

The Illinois Fire Underwriters Association will hold a meeting in Chicago the day following.

### Is Joining the Rhode Island

**W. B. Brownson Has Become Special Agent in the Lower Peninsula of Michigan**

W. B. Brownson, who has been special agent for the Fidelity & Guaranty Fire in the lower peninsula of Michigan, becomes special agent for the Rhode Island group in the Michigan territory. Mr. Brownson has been with his company for the last six years. He succeeds J. B. Robinson, who left the Rhode Island service after having been associated with it for the last 15 years. Mr. Robinson was special agent for Michigan except the metropolitan area for the past 13 years, and prior to his going into the state was representative for the Rhode Island in North and South Dakota, Montana and part of Minnesota. Joe C. Fennell continues as special agent for the Rhode Island in Wayne, Macomb and Oakland counties.

### Herbert A. Payne Is Called to Position at His Head Office

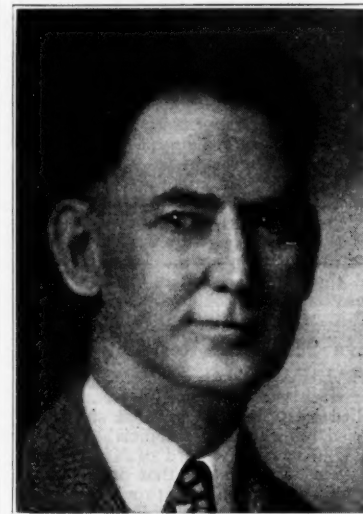
Herbert A. Payne of Indianapolis, adjuster for the Home of New York group, has been called to the home office and will assume his new duties Dec. 1. He went to Indianapolis 11½ years ago, going from the loss department of the Home. He has handled local losses for the company in Indianapolis and has supervised claim work throughout the state.

It is interesting to note that another loss man taken to the head office from Indiana was Ivan Escott, now assistant secretary. Mr. Escott had charge of the losses in Indiana before he was taken to the head office.

### Joining Corroon & Reynolds

**Frank L. Britton Is Named Special Representative in Missouri, Kansas, Oklahoma and Arkansas**

Frank L. Britton, of Topeka, Kan., has been appointed special representative of the Corroon & Reynolds com-



FRANK L. BRITTON

panies in Missouri, Kansas, Oklahoma and Arkansas, which are under the supervision of D. E. Chilcote, resident general agent at Kansas City, Mo. Mr. Britton, who will serve as a member of Mr. Chilcote's staff, was for many years state agent in Kansas for the North British & Mercantile. Later he was elected vice-president and underwriting manager of the Preferred Risk Fire of Topeka, subsequently becoming district manager at that city for the Home Owners Loan Corporation. In his new post, while giving some attention to general field work, Mr. Britton will devote his major attention to adjusting losses for the companies embraced in the Corroon & Reynolds fleet.

### Frank S. Grahn Is Named State Agent in Indiana

Appointment of Frank S. Grahn as Indiana state agent is announced by the National Fire of Hartford. He takes the place left vacant by the retirement several months ago of F. C. Deggen-dorf. Mr. Grahn has been special agent for the National Fire for about six years. He will be assisted by Special Agents E. P. Ressler, J. F. McMullen and J. A. MacLean.

### Set Michigan Inspection Dates

The 1934-35 program of inspections for the Michigan Fire Prevention Association was laid out at a meeting of the executive committee attended by all members and R. E. Vernor, Chicago,

**THE PEARL ASSURANCE CO.**  
 80 JOHN ST. NEW YORK CITY

have appointed

**ALAN H. BONITO & CO., Inc.**

of the same address as

MANAGERS for their

**INLAND MARINE DEPARTMENT for the United States**



Western Actuarial Bureau, who promised that he or "Smoky" Rogers or both would attend each inspection.

The tentative schedule follows: Cadillac, Oct. 31; Marshall, Nov. 26; Mt. Pleasant, Jan. 16; Holland, Feb. 20; Pontiac, March 20; Albion, April 17, and Manistee, May 8.

### Roaf Goes With the State

L. E. Roaf has been appointed state agent of the State of Pennsylvania in Massachusetts, Maine and Rhode Island. He has been connected with the New England Insurance Exchange for a number of years as engineer in the analytical rating department. Mr. Roaf makes his headquarters at 40 Broad street, Boston.

### Lyle Heads Nebraska Field Men

The annual meeting of the Nebraska Fire Underwriters Association was held in Omaha with 50 members present. D. W. Lyle, St. Paul Fire & Marine, was elected president; C. W. Martin, Crum & Forster group, vice-president, and G. W. Owen, New York Underwriters, re-elected secretary.

### Fire Prevention Speakers

H. R. Underwood, secretary of the Ohio Fire Underwriters Association, will address the Rotary Club at Marietta, O., Oct. 11, on fire prevention. Ohio radio speakers for Fire Prevention Week will include H. D. Smith, Detroit Fire & Marine; O. R. Lacey, Home; Allen C. Guy, Western Adjustment, and D. E. Gallagher, Ohio Inspection Bureau, Columbus and L. E. Kietzman, American of New Jersey.

### Kentucky Meetings Scheduled

The Kentucky Fire Underwriters Association will hold its October meeting in Louisville Oct. 8. There will probably be further discussion of plans for co-operation with the Louisville Board in connection with a one-day sales congress.

The Kentucky Blue Goose will have a stag dinner, initiation, etc., on Oct. 8. H. Lee Upton, retired state agent of the Home of New York and past most loyal gander, will be honored.

### Thomas at Indianapolis

C. F. Thomas, manager of the Western Underwriters Association, spoke at the quarterly meeting of the Indiana Fire Underwriters Association in Indianapolis. Mr. Thomas discussed some of the present problems of the field, including separation.

### Special Meeting in Oklahoma

A special meeting of the Oklahoma Fire Underwriters Association has been called for Oct. 23-24. Arrangements are in charge of Z. M. Lang and Rex Kendall.

### George W. Sailor Promoted

George W. Sailor, special agent of the Buffalo for the past eight years at Philadelphia, has been promoted to agency superintendent at the home office.

### E. O. Tulley Resigns Post

E. O. Tulley, who has been special agent in Ohio of the Tokio M. & F. and its consort, the Standard of New York, for the past three years, has resigned. A successor will be named later.

### Fenton Manager at Camden

P. N. Fenton has been appointed to succeed J. W. Teese as manager at Camden, N. J., for the Home. Mr. Teese was recently made a supervisor in the eastern department at the head office of the Home. Mr. Fenton has been connected with the Franklin Fire of the Home group since 1926, at first travel-

ing in Philadelphia territory and for the last seven years traveling in the Camden suburban department. He is treasurer of the South Jersey Field Club.

### Notes of Field Activities

The Wisconsin Women of the Blue Goose held their first luncheon and bridge of the season with Mrs. F. J. Thompson, Mrs. W. J. Bodenhop and Mrs. L. F. Schmidt as hostesses.

The Ohio Fire Underwriters Association will meet in Columbus Oct. 9.

Paul Wilson, Kentucky state agent Phoenix of Hartford, is father of a new son.

The Ohio Fire Prevention Association will inspect Springfield in May. The exact date has not been determined.

T. R. Stults, 79, father of Ewing Stults, Kentucky state agent of the Scottish Union & National, died from a heart attack.

There was a poor attendance of field men at the Kentucky Fire Prevention Association's inspection of Hopkinsville, Ky., Sept. 28, although residents showed active interest.

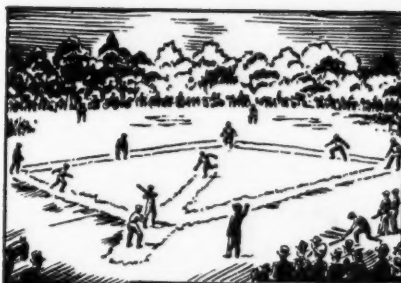
### Mrs. Emory F. Sawyer Dies

Mrs. Emory F. Sawyer, whose late husband operated the Sawyer Insurance Agency in Marysville, O., for 40 years,

is dead. Mrs. Sawyer leaves two sons in the business. E. E. Sawyer continues to operate the Sawyer Insurance Agency at Marysville, while Walter Sawyer is state agent of the Fireman's Fund in Cleveland.

### Leave to Adjust Name Loss

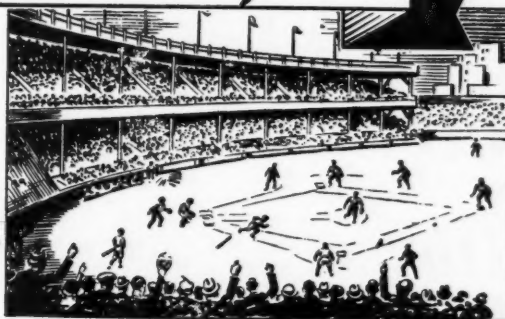
SEATTLE, Oct. 3.—C. R. Scammon of the Fire Companies Adjustment Bureau and A. W. O'Hearn, independent adjuster, have left for Nome, Alaska, as representatives of companies which suffered loss of \$2,000,000 in the city's business section.



CHAMPIONSHIP GAME  
ELYSIAN FIELD  
HOBOKEN, N. J.  
1884  
(National Encyclopedia)

*When the First*  
**WORLD SERIES**

*was Played...*



... In 1884

**North British & Mercantile Insurance Co., Ltd.**  
was celebrating its 75th Anniversary

**This year marks the 50th Anniversary of the inauguration of the  
World Series  
and the 125th Anniversary of the**

1809



1934

**—125 Years of Stability and Enterprise—**



# Indemnity Insurance Company of North America

PHILADELPHIA

CAPITAL \$1,000,000

## Casualty Fidelity Surety

**Unquestioned Financial Stability**  
**Unique, Convenient Policies**  
**Complete, Efficient Service**  
**All Modern Coverages**

*Combination Automobile Policy, Combination  
Residence Policy and Complete Golfer's Policy  
issued jointly with allied fire companies.*

## AS SEEN FROM CHICAGO

### LIFE MEMBERS MEETING

A mistake was made in the last issue as to the time of meeting of the Society of Life Members of the Fire Underwriters Association of the Northwest in the LaSalle hotel, Chicago. The correct date is Nov. 19. C. J. Munn, Cook County Loss Adjustment, A. F. Powrie, Fire Association, and W. K. Maxwell, Hanover, have been appointed the committee on entertainment. W. B. Flickinger of the North America is president; W. C. Boorn, Hartford Fire, and H. G. Casper, Eagle Star & British Dominions, vice-presidents, Holgar de Roode, secretary, and W. J. Sonnen, St. Paul F. & M., treasurer.

\*\*\*

### JOHN PETERSON ON SICK LIST

John Peterson of Chicago, manager of the hail department of the Great American, has been on the sick list about two weeks. He is confined to bed, his heart being affected. Mr. Peterson is a real veteran and leader in the hail business and is highly regarded.

\*\*\*

### McKIAN IS NOW ON THE MEND

Paulus Japonica Veronese McKian, wielder of the goose quill of the Illinois Blue Goose, who has been confined to St. Bernard's hospital, 6337 Harvard avenue, Chicago, for some time, underwent a second major operation successfully and is now recuperating. In addition to his operation Mr. McKian fell off his bed and fractured his hip. He expects now to be able to go to his home the latter part of October. He has received many letters and other evidences of esteem and affection.

\*\*\*

### LOSS ASSOCIATION MEETING

The Western Loss Association will resume its meetings in Chicago Oct. 16 with Harry Ferrers of the Springfield presiding. The annual meeting will be in November.

\*\*\*

### NORTHWEST AIR LINES RECORD

The Northwest Air Lines has been celebrating its eighth anniversary and the record shows not a passenger fatality. It was organized in 1926 by a group of northwest business men as the Northwest Airways and started Oct. 1 of that year. It began to carry mail over a 400-mile route. During succeeding years the line was extended from Milwaukee to Green Bay, Chicago to Madison, Twin Cities to Duluth, Twin Cities to Bismarck via Fargo, Fargo to Winnipeg and Bismarck to Billings. During eight years of service more than 80,000 passengers were carried.

\*\*\*

### BRABAND OPENS OWN OFFICE

Vincent L. Braband, who for four years has been connected with the outside brokerage department of Fred S. James & Co., and has had eight years' insurance experience in Chicago has opened his own general insurance office in room 1821, Insurance Exchange, Chicago. The office is associated with Meeker-Magner & Co.

\*\*\*

### S. L. NELSON WEDS

S. L. Nelson, loss superintendent in the western department of the North America, was married recently to Miss Laura Haase, who had been his secretary for some time. Mr. and Mrs. Nelson have just returned from a wedding trip through the south.

\*\*\*

### MANAGER BUCK FETED

S. M. Buck, western manager of the Fireman's Fund, was surprised Monday morning to find his office in Chicago bedecked with flowers. This was in honor of his fifth anniversary as manager. Later in the morning there was a pounding on his door and there entered seven field men, their arms filled

with daily reports, which had been produced in honor of the occasion. At noon he was taken to lunch by Vice-president E. T. Cairns, who was in the city, and arriving at the Union League Club, Mr. Buck found that he was guest of honor at a luncheon given by the executive staff of the western department and a group of field men. Mr. Buck is held in the highest esteem by his associates and they took much pleasure in paying him these tributes.

Mr. Cairns went to Chicago after attending the mid-year meeting of the Western Underwriters Association in Manchester, Vt. He left Chicago on Tuesday to attend the meeting of the mountain supervisory committee in Denver. He plans to return to Chicago

## FOR UNDERWRITERS REFERENCE

A BOOK COMPLETELY ANALYZING ALL PRINCIPLES AND PRACTICES OF TRANSIT INSURANCE AND INLAND MARINE COVERS

INVALUABLE INFORMATION FOR UNDERWRITERS, BROKERS, AGENTS, ADJUSTERS AND LAWYERS

DEALS extensively with the innumerable misunderstandings and intricacies which surround the many policy forms dealing with Merchandise in process and while in course of transit, and all other Inland Marine covers.

INTERPRETS the many dangers to which your assured's Merchandise is subject and explains in detail how to avoid costly pitfalls with proper Inland Marine covers.

ACCEPTED as a reference by principal companies underwriting Inland Marine business.

## "INLAND MARINE INSURANCE"

by

WILLIAM M. MORTIMER

Inland Marine Insurance Specialist

454 Pages

Price Per Copy \$7.50

Transportation Service Company,  
45 John St., New York City.

Enclosed find check for \$7.50 for which please forward me one copy of "Inland Marine Insurance," by William M. Mortimer.

Name .....

Address .....

(A copy will be sent on 7 days approval if desired) N.U.-3



after that meeting, before going back to the head office at San Francisco.

#### ADDITIONAL PREMIUM FIGURES

Figures on Chicago fire premiums for the year ended June 30 filed with the city comptroller show approximately \$10,000 more premium tax collected than for the previous year, or approximately \$500,000 more premiums written. Returns have been received from 310 companies. Additional filings not previously reported in these columns are:

Company	1934	1933	1932
Granite State	30,319	28,362	36,752
*Northern, N. Y.	35,658	105,263	122,791
Security, Ia.	58,160	36,133	62,832
Reliable, Ohio	28,915	30,750	32,614
Eureka-Security	28,990	32,505	35,407
Albany	26,151	23,584	26,542
*United Firemen's	80,602	46,461	47,761
N. W. Nat'l	285,421	218,524	
Columbia, N. J.	4,928	2,419	
Import & Exp.	8,383		
*Incomplete.			

#### MISS HEALD TO WED

The wedding of Miss Elizabeth Heald of Oak Park, Ill., and Stewart S. Hawes of New York will take place Oct. 20. Miss Heald is the daughter of T. E. Heald, loss superintendent in the western department of the National of Hartford. Mr. Hawes until about a year ago was a resident of Oak Park, but since that time he has been connected with the investment house of Blyth & Co., of New York.

#### O'BRIEN OUT ON CRUTCHES

Frederick O'Brien of the O'Brien Insurance Agency of Chicago is now able to navigate on crutches following an automobile accident in Wisconsin a month or so ago when he broke his ankle.

R. R. Martin of New York City, U. S. manager of the Atlas Assurance, has been visiting the western department in Chicago.

### NEW YORK NEWS

#### MAGRATH OPENS THE SEASON

J. J. Magrath, head of the rating bureau of the state insurance department, was the speaker at the opening meeting of the Insurance Society of New York. In the course of his informative talk he dealt with the purposes of state supervision, the types of insurance carriers operating in the commonwealth and the manner pursued by the department in analyzing financial statements submitted to it, stressing the vital elements therein. He further noted conditions that induced the department to recommend and seek amendatory legislation from time to time.

#### GEORGE E. O'HARA ADVANCED

George E. O'Hara, for 27 years connected with the Niagara Fire, succeeds the late H. J. Zechlin as secretary and manager of its metropolitan department. Mr. O'Hara's initial insurance experience was with the general agency of Jameson & Frelinghuysen, which office he entered as a junior clerk following graduation from the Manual Training high school in Brooklyn. He joined the local staff of the Niagara Fire in 1907, advancing through various posts.

#### CRAWFORD IS RECUPERATING

Insurance Editor W. S. Crawford of the New York "Journal of Commerce," who was operated on for appendicitis at the Post Graduate hospital in New York City, is moving along in a satisfactory way although he is not permitted to see visitors. Mr. Crawford's home address is 270 Riverside Drive, New York City. As soon as possible he will be moved to his home.

#### P. J. KENNEDY WITH SUN

Paul J. Kennedy has resigned as manager of the business development department of the Continental in New York to become associated with the Sun. He had been connected with the Continental since 1932, formerly having been vice-president in charge of the

New York office of the Public Fire. His early insurance experience was with Marsh & McLennan.

#### PEARL NAMES BONITO & CO.

The Pearl announces the appointment of Alan H. Bonito & Co., the well known marine firm, as managers for their inland marine department for the United States.

#### Double Canadian Hail Rates

REGINA, SASK., Oct. 3.—Hail insurance rates of the Saskatchewan Municipal Hail Association for the 1935 growing season will be almost double

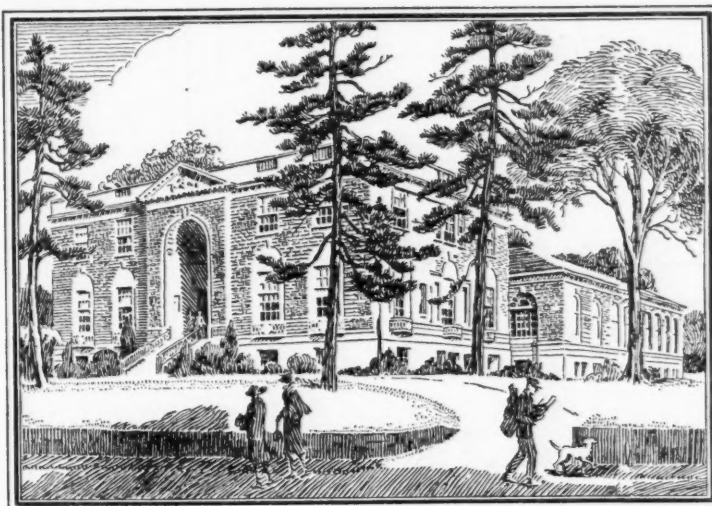
those of this year owing to a \$1,100,000 loss from 1934 operations. The new rate will range from 7 to 23 cents, depending on the past hail loss record of each "zone."

#### Morro Castle Loss Total

NEW YORK, Oct. 3.—Late reports bear out the earlier prediction that the cost of removing the wrecked Ward liner, "Morro Castle," from the Asbury Park (N. J.) beach, where it ran ashore and burned Sept. 8, would exceed the probable return from the sale of the steel hull and pillars. The loss will thus prove total to the insurers.

On the basis of the total loss, British insurance interests have paid the assured \$1,400,000. The limit within which liability claims against the owners of the Morro Castle must be filed will expire Oct. 8. Legal opinion differs as to whether the exemption of liability clause which purchasers of tickets on the steamer signed will be upheld by the courts.

All assets of the Ward Line were ordered impounded by the federal court, in an action brought by Helen L. Sherman as executor of the estates of C. E. Greismer and his wife of Bellaire, N. Y., who lost their lives in the burning of the vessel.



## Conservative as New England Progressive as America Security of New Haven

### 93 YEARS OF SERVICE

93 years of age has earned for this conservative New England company an established reputation for stability and fair dealings among insurance companies, agents, and policyholders.

Its 93 years of service demonstrates its stability and the fact that it is a recognized influence and factor in the insurance field.

However, this Company does not cling to all the methods that were necessary and expedient in the past. Instead the SECURITY of NEW HAVEN realizes that it is essential to meet present day conditions and to make

progressive changes as those conditions demand.

It is the practice of this "conservative-progressive" New England institution to make changes when they are appropriate and to modify and adjust its practices whenever necessary to the welfare and progress of the Company itself and its agents and policyholders.

Because the SECURITY of NEW HAVEN is such a company it appeals to sound thinking, conservative agents who want only the best in their agency.

1841

**Security Insurance Company**  
OF NEW HAVEN, CONNECTICUT

AFFILIATE COMPANIES:

**The Connecticut Indemnity Company**  
NEW HAVEN, CONNECTICUT

**The East and West Insurance Company**  
OF NEW HAVEN, CONNECTICUT

**California Union Insurance Company**  
SAN FRANCISCO

WESTERN DEPT.: ROCKFORD, ILL.

PACIFIC COAST DEPT.: SAN FRANCISCO, CALIF.

## The Insurance Exchange of Memphis

welcomes

## The Tennessee Association of Insurance Agents

in convention on its  
DIAMOND JUBILEE

## Tennessee Agents Meet in Memphis

President Oliphant Reviews Work  
of Local and National  
Associations

### COOPERATION IS URGENT

Government Insurance, Drivers License  
Law, Mutual Competition, Fleets,  
Neely Bill Are Problems

By J. C. O'CONNOR, JR.

MEMPHIS, Oct. 3.—Briefly reviewing the fight of the National Association of Insurance Agents for the recognition of local agents in the placing of insurance on commodities, which are the subject of government loans, President J. W. Oliphant, Chattanooga, opened the 40th annual convention of the Tennessee Association of Insurance Agents here today. The question of the government insurance remains only partially solved, Mr. Oliphant stated. The HOLC insurance and other commodities which are the subject of government loans besides cotton and corn require consideration insurance-wise. He made a plea for the continued support of the National and state associations.

#### Service Office Will Aid

He believes that the establishment of the Washington service office in charge of W. T. Reed, Jr., will do much to further the cause of the local agent and will act as a contact between the national headquarters and the various governmental bureaus, operating for the benefit of the members in gathering and distributing information regarding the numerous projects and activities in which agents are vitally interested.

He answered the argument that there are already too many laws and regulations and that the proper enforcement of present laws would remove most of the difficulties and injustices as being only partly true. He called attention to the need for a drivers license and financial responsibility law in Tennessee. Such laws have been enacted in 21 states and in no instance has the operation of the laws failed to promote the welfare of the public, the local agent and the insuring companies.

#### Control Cut-Rate Competition

Such legislation would give an immediately improved loss ratio with a consequent decreased cost of insurance and would also be of inestimable value in controlling competition of small cut-rate companies whose contracts are not recognized as sufficient evidence of financial responsibility except in the few states where they are admitted and qualified.

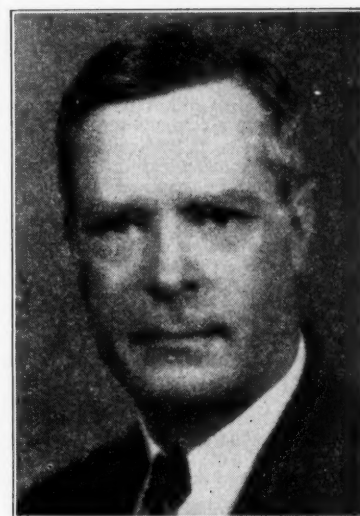
In the past month, Mr. Oliphant appointed a committee to cooperate with a similar committee from the Tennessee Field Club to devise ways and means to combat the competition and increased activities of mutual and reciprocal carriers and to maintain a supremacy of stock insurance and the integrity of agencies.

#### Suggests Mutual Regulation

He suggested to this joint committee that consideration be given as to the desirability of introducing such legislation as will place all foreign carriers of this class writing business in Tennessee under the same restrictions and requirements as to licenses, taxes and fees now made for foreign stock companies. This would not apply to the local county mutuals.

"Much has been said and little done

## Memphis Board Celebrating Its Diamond Anniversary



ROBERT W. WALLACE

The Memphis Insurance Exchange, organized in 1859, is one of the oldest local boards in the country. This week it is celebrating its diamond jubilee. Robert W. Wallace is president of the exchange, E. O. Bailey, vice-president, Victor Hexter, secretary and treasurer and Mrs. L. H. Patterson assistant secretary and treasurer. The board of directors consists of E. A. Angier, Jr., J. D. Collier, John M. Dean, W. M. Garrott, John C. Larkin and J. T. Wellford.

relative to fictitious automobile fleets and we are constantly hearing of the abuses of this coverage, particularly by nonconference and non-stock carriers. If our present legislation does not authorize such action we would like to see such modification as would permit the insurance commissioner to demand of all carriers a sworn statement of all fleets on their books, together with a statement as to the ownership of the cars and the premium charged for them."

#### Fleet Definition Is Equitable

He believes the Tennessee department's definition of a legitimate fleet is equitable and understood by competent agents. Its definition, briefly, is: "A car actually used in the business of the employer and all expenses of its operation paid by the said employer." Many thousands of dollars in automobile insurance premiums would be restored to local agents if the fictitious fleet policies in force were brought to light and enforced in accordance with the department's ruling and definition, Mr. Oliphant believes.

Members were advised to contact their senators and representatives to let them know that they are interested in the passage of the Neely bill when it is reintroduced at the next session of Congress.

#### Neely Bill Provisions

He said that the purpose of the proposed legislation was to eliminate the unfair advantage which a foreign carrier has long enjoyed over American companies in writing bank bonds which it had solicited in every state while licensed in only one state, and to require the carrier to bear a share of the burden. It would be desirable if the Neely bill could be broadened to bar the use of the mails to any insurance carrier not licensed to do business in a state in which the solicitation is being made and the subject of insurance located.

With cooperation and unity of purpose, insurance men can bring needed reform in Tennessee and the imperfection of the laws and their administration may be reduced to a minimum.

(CONTINUED ON PAGE 32)

*The policies behind the Policies*  
are vital to agents and their clients

SOUND INVESTMENT POLICY →

SOUND UNDERWRITING POLICY →

SOUND PRACTICE POLICY →

THE FIRE INSURANCE POLICY OF THE STATES OF NEW YORK, MARYLAND, VIRGINIA & WEST VIRGINIA

Property \_\_\_\_\_  
Amount \_\_\_\_\_  
Premium \_\_\_\_\_  
No. \_\_\_\_\_

**Northern Insurance Company of New York**  
83 MAIDEN LANE NEW YORK N.Y.  
Incorporated 1897

BROAD-MINDED TREATMENT of  
← LOSS CLAIMANTS

PROMPT PAYMENT  
← OF LOSS CLAIMS

SYMPATHETIC UNDERSTANDING of  
← AGENTS' PROBLEMS

It is important that the written portions of all policies covering the same property read exactly alike. If they don't they should be made uniform at once.

Address all inquiries to HOME OFFICE  
83 Maiden Lane New York City



## No Income Tax Exemption If Policyholders Share Profits

PHILADELPHIA, Oct. 3.—The United States circuit court of appeals here holds that mutuals which continuously share investment profits with policyholders are not exempt from income tax, in denying the claim of the Philadelphia Contributionship to recover \$53,172 from the government for income taxes paid in 1925 and 1926.

The company, first fire insurance company in the country, claimed exemption from federal taxation on the ground that it requires its policyholders to make a single deposit, when they are insured for all time.

Since 1895, the company has been paying its perpetual policyholders a yearly dividend of 10 percent of the amount of their original deposits from investment earnings. In 1925 the company paid out \$44,233 and in 1926, \$45,800 to policyholders in this manner.

The federal court here upheld the company's claim to a tax refund but the government appealed. Judge Davis held that if the company "used or held its income for the purpose of paying any losses suffered by its policyholders," it would be exempt from taxation, but since it earned profits on investments and distributed them, it was not exempt from income taxes.

## Open Mississippi Agency Balance Clearing Office

JACKSON, MISS., Oct. 3.—Fire companies operating in Mississippi have established an agency balance clearing office, with headquarters in the offices of the Mississippi state rating bureau. Miss Mary E. Steele, an employee of the rating bureau, is secretary of the clearing office.

Companies, but no agencies, will be required to make reports on balances more than 90 days old, beginning not later than Nov. 15.

The Philadelphia Manufacturers Mutual Fire, with F. E. Slayter of San Francisco as California representative, has been licensed Oct. 2 writing fire, sprinkler, aircraft and miscellaneous.

### Position Wanted

Fire and Casualty Special Agent with excellent agency contacts in Wisconsin desires field position in Wisconsin or Middle West. All references. 10 years' field experience. Single. Free to travel. Address Z4, The National Underwriter.

## To Fire Insurance Fieldmen Who Are Real Producers

Two such men will be given an opportunity to demonstrate their true worth as producers with a fire insurance organization that is willing to recognize sales ability and pay for it under a liberal plan of compensation based on salary and expenses plus a bonus incentive for production which is over the average.

This is in keeping with an expansion program, based on sound growth and progress, which has opened the way for a redistribution and more intensive cultivation of territories.

Applications are solicited only from well trained and experienced fire insurance salesmen who rank above the average in knowledge, experience, and ability to sell fire insurance protection and service direct to the insured.

If you are sure of your qualifications along these lines, write us confidentially giving us all the facts you would like to have if you were selecting such a man for your own business.

Address Z-5, The National Underwriter.

## Revision of the Explosion Manual Is Now Under Way

The executive committees of both the Eastern and Western Explosion Conferences have been holding joint sessions in Chicago this week in an effort to recodify, clarify and bring up to date rules in the riot manual, including aircraft, malicious mischief and earthquake.

The presiding officer is W. B. Burchell, secretary of the Commercial Union, who is chairman of the national explosion conference. Other easterners attending were: Logan J. Borland, secretary Great American; J. F. Myring, secretary Atlas; H. C. Klein, superintendent improved risk department New York Underwriters; F. P. Walther, chief engineer America Fore; W. F. Roembke, manager explosion conference.

The westerners were H. R. Thiemeyer, North America, H. T. Lindholm, Western Actuarial Bureau, who is secretary, Western Explosion Conference; James Leavitt, Hartford, W. G. Martin, America Fore, Joseph Bernatz, Sun; Emil Hepp, Springfield; James Smith, Firemen's; Ralph Learn, Aetna Fire.

### Improvement Is Reported

An increase in volume and a decrease in expense and loss ratios were reported by Benjamin Richards, manager of the Underwriters Adjusting, at the semi-annual meeting in Chicago this week. S. M. Buck, western manager Fireman's Fund, and Chester M. Hayden, vice-president Glens Falls, were elected new members of the executive committee succeeding J. H. Macfarlane, secretary America, Fore, and J. C. McKown, secretary St. Paul.

### N. J. Specials Hear Dumont

NEWARK, Oct. 3.—More than 50 members of the New Jersey Special Agents Association at their first dinner meeting of the season, heard J. R. Dumont, manager Interstate Underwriters Board, explain the operation of the board. His talk was followed by an open forum.

### Institute Registrants Nearly 100

Registrations for the three fire insurance courses and the second year casualty course to be given in Chicago under the auspices of the Insurance Institute now total nearly 100, it is reported by Benjamin Richards, who is in charge. The courses start Oct. 17-18. Those interested should register at the Insurance Library in Chicago.

# Insurance Company of North America

## Philadelphia

Statement Six Months

Ending June 30, 1934

Fire and Marine Premiums (Net) .....	\$11,170,467.33
Interest, Dividends and Rents .....	1,399,955.51
Profit and Loss Securities .....	401,033.67
Perpetual Deposits Received .....	32,821.29
Other Income .....	419.00
Decrease Reserve for Taxes, Expenses, etc. ....	61,281.49

\$13,065,978.29

Fire and Marine Losses Incurred .....	\$4,929,364.87
Agency Charges and Commissions .....	5,474,990.26
Taxes .....	521,094.78
Real Estate and Investment Expenses ..	212,945.95
Penna. Insurance Dept. Examination Expenses .....	2,899.05
Perpetual Deposits Returned .....	8,165.60

Increase Fire, Marine and Perpetual Premium Reserve .....	49,770.24	11,199,230.75
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BALANCE .....

Increase Market Value Securities as Appraised June 30, 1934 .....

\$10,766,612.75

Dividends Paid .....	\$1,200,000.00	
Contribution to Gratuity and Relief Funds .....	25,000.00	1,225,000.00
Increase Surplus .....		\$ 9,541,612.75

### ASSETS

Bonds and Stocks (Market Values) .....	\$69,908,662.65
Mortgages on Real Estate .....	27,575.00
Accrued Interest .....	341,156.95
Real Estate Philadelphia and New York City .....	5,642,551.03
Cash in Banks and Office .....	4,760,626.35
Premiums in Course of Transmission .....	3,829,468.60
Reinsurance Claims on Losses Paid .....	106,448.97
	\$84,616,489.55

### LIABILITIES

Reserve for Unpaid Losses .....	\$ 5,835,657.00
Unearned Premium Reserve .....	21,352,215.59
Reserve for Taxes and Other Expenses .....	1,484,415.49
Dividend Payable July 16, 1934 .....	1,200,000.00
Cash Capital .....	12,000,000.00
Surplus .....	42,744,201.47
	\$84,616,489.55



**FIRE ASSOCIATION OF PHILADELPHIA**  
ESTABLISHED 1817

**LUMBERMEN'S INSURANCE COMPANY**  
ESTABLISHED 1873

**THE RELIANCE INSURANCE COMPANY**  
ESTABLISHED 1841

**PHILADELPHIA NATIONAL INSURANCE COMPANY**  
ESTABLISHED 1928

**HEAD OFFICES**

**Fourth and Walnut Streets  
Philadelphia**

**DEPARTMENTAL OFFICES**

Chicago      Atlanta      San Francisco      Dallas  
Toronto      New York

**OCEAN AND INLAND MARINE DEPARTMENTS**

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**PROVIDENT FIRE INS. CO.**  
Fire and Automobile Lines  
**ROYAL EXCHANGE**  
ASSURANCE

**CAR and GENERAL**  
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

111 John Street

NEW YORK

WHEN answering advertisements in this paper will you kindly mention that you "saw your ad in THE NATIONAL UNDERWRITER"?

## NEWS OF THE COMPANIES

### Monarch Fire to Sell Shares

**Offers 200,000 Additional to Stockholders  
—Pearl Will Purchase Half  
the Amount**

CLEVELAND, Oct. 3.—Notice has been sent out by the Monarch Fire to its stockholders informing them of their right to subscribe to the 200,000 additional shares recently authorized at \$7.50 per share. The Pearl Assurance of London has agreed to take half of the additional issue, paying \$750,000 in cash. This is subject to shareholders' preemptive rights. Any shares unsold after subscriptions by shareholders and the Pearl will be offered publicly by Otis & Co., also at \$7.50 per share.

According to announcement of Ralph Rawlings, president of the Monarch, the consolidation of the operating departments of the Monarch Fire, Pearl and the Eureka-Security Fire & Marine has been completed and about 100 officers and employees of the Pearl and Eureka have transferred their residence to Cleveland.

### National Union Fire Dividend

The National Union Fire of Pittsburgh has resumed its dividend payments, the directors declaring a dividend of \$1 per share. It has not paid dividends for three years. During that period the company has been practically revamped and its underwriting policy reorganized.

### Pacific National Active in East

PHILADELPHIA, Oct. 3.—W. A. Waters, eastern manager of the Pacific National Fire, has been very active since assuming his post. He announces that he had made more than a score of agency appointments in eastern Pennsylvania, including Harrisburg, Wilkes-Barre, Scranton, Lancaster and Hazleton. Well liked by the field, Mr. Waters has been the recipient of considerable business and the premium volume of the eastern office of the Pacific National is considerably higher than the forecasts at its inception early in the summer.

### Western Companies' Figures

For the first seven months, net premium income of the Western companies of Fort Scott, Kan., was \$1,952,375, an increase of \$452,886 over the same period in 1933. The automobile and bond departments of the Western Casualty & Surety showed the largest gain, \$268,099, while the Western Fire showed a gain of \$67,079. The loss ratio was 53.1 per cent for that period, as compared with 61.2 per cent for the same period in 1933.

### General Group's Premiums Up

SEATTLE, WASH., Oct. 3.—Net premiums of the General of America and First National increased 48 percent the first six months of 1934, while the General Casualty experienced a 35 percent increase. Assets of the General group increased \$143,000.

### Milton Seeks Another Deal

David M. Milton, son-in-law of John D. Rockefeller, Jr., who has become something of a factor in insurance company deals, has now made a bid for the Importers & Exporters. He is offering five shares of the common stock of a holding company for each share of Importers & Exporters. The offer is reported to apply only to the present stock of the Importers & Exporters, since the merger of that company with the Mohawk Fire has not yet been completed.

The value of the Importers & Exporters stock is said to be in the neighborhood of \$12 a share. Both the Importers & Exporters and Mohawk Fire are inactive.

Milton controls the General American Life of St. Louis and is chairman of the board.

He also recently became interested in the General Alliance Corporation, which controls the North Star and General Reinsurance.

### New Hampshire's Statement

The New Hampshire Fire as of July 1 shows assets \$15,776,495. It carries a contingency reserve of \$272,912 to bring its surplus down to market values. The other voluntary reserves amount to \$294,158. The premium reserve is \$4,223,261, capital \$3,000,000, net surplus \$7,026,246. Its cash and government bond securities amount to \$3,791,118.

### E. C. Jalonick Has Resigned

E. C. Jalonick, vice-president of the Republic of Dallas, has resigned his connection and is taking a rest. Mr. Jalonick has been spending the past few weeks hunting and fishing. He says he has not decided what his future course will be and will not until he has concluded his vacation. He had been with the Republic a number of years.

### Equity Fire Opens Offices

The Equity Fire of Kansas City, Mo., has again started in business, establishing offices in St. Louis, Kansas City and some of the larger points in Kansas. It recently opened an office in the Insurance Exchange in Kansas City.

### Form Bell Mutual Fire

The Bell Mutual Fire of Portsmouth, O., has been incorporated by F. E. Bowers and others. Some time ago the Liberty Mutual Indemnity was organized, it is understood, by the same persons, but after a protest had been made because of the similarity of the name to that of another company, the name was changed to the Bell Mutual Casualty. It was never licensed by the Ohio department.

### Miscellaneous Company Notes

The Merchants & Business Men's Mutual Fire of Harrisburg, Pa., has been licensed in Kentucky.

An extra dividend of \$1 a share in addition to the regular of \$3 has been declared by the Buffalo.

The Michigan department has licensed the Thames & Mersey Marine to write marine business and the French Union & Universal of Paris for fire reinsurance.

**Two Million in Assets  
Bought for Only \$300**

LITTLE ROCK, ARK., Oct. 3.—Assets of the defunct Home Fire of Arkansas and the Home Accident, of which Elmo Walker is receiver, have been sold to S. R. Morgan on a bid of \$300, compared to par value of \$2,000,000. An order approving the sale was entered here by Circuit Judge R. M. Mann on Mr. Walker's report of the sale.

The Home Fire and Home Accident were controlled by A. B. Banks, also president of the Home Life, the business of which was reinsured by the Central States Life. The Banks organization also controlled banks and trust companies, and assets of the Home Fire and Home Accident were largely stock in those institutions. The transfer to Morgan included stock of the American Exchange Trust Co. of \$500,000 par value.



## Oklahoma Insurers Hold Annual Meet

Addison Sessions Is Named President for Coming Year to Succeed Joe Frates

### ACT ON TIMELY ISSUES

Grievance Committee Accomplishes Much—Priest Represents National Association—Educational Talks

#### NEW OFFICERS ELECTED

President—Addison Sessions, Okmulgee.  
Vice - President — George McCurdy, Tulsa.  
Executive Committee—E. W. Clarke, chairman, Oklahoma City; Ancel Earp, Oklahoma City; J. S. Pearce, J. J. Quin, F. W. Wiles, Joe Frates, Tulsa.

By FRED B. HUMPHREY

The election of Addison Sessions of Okmulgee as president and the adoption of several pertinent resolutions featured the annual meeting of the Oklahoma Association of Insurers at Oklahoma City. The convention went on record favoring the enactment of a suitable agents' qualification law, an automobile financial responsibility law and the passage of the National Board's model arson law. An appeal was made to the state insurance board to check the irregular activities of out of state brokers, who it was claimed, are not using the prescribed rates and forms.

### Elected President



ADDISON SESSIONS

At its annual convention in Oklahoma City the Oklahoma Association of Insurers elected Addison Sessions of Okmulgee, president to succeed Joe Frates of Oklahoma City.

In another resolution the attitude of the field men on the clearance of stock-mutual agencies was sought. The \$1 a year increase in dues to support the National association's new Washington office was approved as well as Commissioner Jess G. Read's stand for the marine personal property floater. More simplified fire and theft manuals and an organized front against mutual and reciprocal competition were asked.

(CONTINUED ON LAST PAGE)

## Follow Through

"Follow through", says the tennis instructor as he shows a youngster the fine points of the game. "Follow through", advises the golf pro, as he watches a protege swing. "Don't stop at the point of contact, continue the swing around!"

In business, as well as sport, the successful follow through. And in insurance company management, too. Instead of stopping at the point of contact—when an agent is appointed—we follow through and do what we can to help him become a better agent.

Another point of contact is the lines we write. We do not stop there. A good agent must do more than just write our lines satisfactorily for us. He must do infinitely more than satisfy his companies; he must satisfy his clients. And he must keep track of it all and be constantly selling insurance, not just our policies.

Realizing this, we follow through and make every effort to help our agents toward success in **their** business, as well as ours

The  
LONDON ASSURANCE CO.

The  
MANHATTAN  
Fire and Marine Insurance Company

The  
UNION FIRE,  
Accident and General Insurance Company

99 JOHN STREET

NEW YORK

## Au Revoir Oklahoma Agents

. . . we enjoyed having you in Oklahoma City for your annual meeting . . . we hope you will come again soon . . . we wish you the best of luck and success. . . .

F. Wiley Ball  
Braniff Insurance Agency  
Ancel Earp & Co.  
The Frates Company  
Ledbetter Insurance Company  
Pearce, Porter & Martin  
Workman-Carlin Company

## REINSURANCE

• FIRE AND CASUALTY •  
ROSSIA INSURANCE COMPANY  
of America

THE METROPOLITAN FIRE  
REASSURANCE COMPANY  
of New York

THE FIRST REINSURANCE COMPANY  
of Hartford

115 BROAD STREET

HARTFORD, CONN.

## Clarence Palmer Heads Conference

(CONTINUED FROM PAGE 1)

ualty, gave the report of the street and highway safety committee in which he told of the cooperation they are receiving from automobile manufacturers and oil companies in stressing safety in their advertisements.

On Sunday evening before the convention officially opened Clarence Axman of the "Eastern Underwriter," spoke informally, before the executive committee and members, of his trip

abroad this past summer.

On the second day of the meeting C. A. Palmer, North America, presided over the general session. A. E. Haase, Association of National Advertisers, addressed the conference on "Methods of Determining the Advertising Appropriation." A disadvantage of the percentage plan is its inelasticity, although it has simplicity in its favor, he said. The unit of sale relates only to certain classes.

The mail order method has the soundest approach to the question, Mr. Haase believes, because of a direct relationship between costs and results obtained. The plan coming more into favor is that of establishing a definite market objective and determining the kind and amount of advertising necessary. This calls for originality and labor, but makes advertising a definite part of the profit making picture of a business.

The second speaker was L. L. Montgomery. A guest of the convention was N. A. White, Provident Mutual Life, and president of the Life Advertisers Association. Mr. White brought greetings from his organization and remarked on the radio campaign undertaken recently by the Provident Mutual.

### Resolutions Adopted

Resolutions were adopted suggesting that surplus of fees paid by motorists for drivers' licenses be used for enforcement of regulations; favoring federal legislation to regulate use of the mails by companies licensed in one state but using post office facilities to do an illegal business in other states where they are not licensed, offering assistance to the Association of Life Agency Officers for the next financial independence week campaign.

Following luncheon an address was given by Merle Thorpe, editor of "Nation's Business." The annual dinner held Tuesday night following the reception provided unusual entertainment features. Credit for this should be given Frank Ennis, America Fore group.

### Report on Highway Survey

Prof. R. C. Eddy, Massachusetts Institute of Technology and director Massachusetts Highway Accident Survey, reported the results of a survey made by the institute of the Massachusetts highway accidents in order to determine their causes and remedies. Practically every multiple accident location in the state was studied.

Visibility of the pedestrian, highway lighting, vehicle speed, effectiveness of brakes and tires in stopping on road surfaces, and reaction of the driver were found to be important factors where accidents were involved.

In a survey among 12,000 motorists, it was found that the majority favored increasing the age limit for licensed drivers to 18 years. A majority also believes that car inspections should take place every six months and opinion was about equally divided on the question whether operators should be reexamined. Compulsory use of hand signals for vehicles stopping or turning on the road was overwhelmingly favored, although the road study showed that practically no drivers now give signals on state roads where it is already compulsory.

### Driver's Personality Important

Professor Eddy said that an important factor in highway accidents is the personality of the driver. Although there is a wide variation in the tendency among drivers to have accidents, it is impossible to point out in advance any particular driver who is going to have an accident in any year. The accident itself is a potent factor in the education of the driver involved. One experience is enough to teach most drivers how to escape accidents that chance constantly throws in their path.

Professor Eddy believes that suspension of the license to drive should at least await presumptive evidence of fault and more severe penalties a finding of serious fault.

The mental attitude of the driver is a primary factor in accidents. Education of the driver in which law enforcement may take a prominent part to instill in him a greater willingness to preserve a wider margin of safety and thus reduce the number of accident is the most direct and important approach to highway safety.

"No group in the country is better placed nor better fitted to recognize the significance of individual freedom and individual opportunity to work, to

save, and to protect, than the man engaged in the insurance field. The operation and the fruits of the capitalist system are his stock in trade," Mr. Thorpe said.

"Insurance and insurance men are the product of the old order. And insurance men are among the shock troops on which this nation must today depend to maintain perspective, and meet with facts and figures and common sense the dangerous political and economical policies put forward by tub-thumping demagogues and impractical pedagogues."

Dealing daily with the problems of human desires and of creating consumer wants, advertising people understand that demand is elastic and that purchasing power is not fixed, A. T. Falk, Advertising Federation of America, declared. They know that the consumptive demands of today may be greatly increased tomorrow. They know that the additional income with which consumers will buy the additional goods will flow from the activity of producing the additional goods.

A. D. Nelson, National Board of Fire Underwriters, presided Wednesday. He introduced A. W. Lehman, Association of National Advertisers, who spoke on broadcast advertising, describing the work done in cooperative analysis of radio programs. Other speakers were G. J. Kutcher, Northwestern Mutual Life, New York City and William Leslie, National Bureau of Casualty & Surety Underwriters.

## Ohio Hearing Was Given to Sears-Roebuck Companies

COLUMBUS, O., Oct. 3.—An informal hearing was held in the office of C. T. Warner, superintendent of Insurance, this week, relative to the plan used by the Allstate Fire and the Allstate Insurance Company of Chicago in obtaining business in Ohio. Both companies are owned by Sears Roebuck & Co., which also owns the Hercules Life. When the Allstate companies were admitted to Ohio they appointed managers of two of the Sears-Roebuck stores as agents. Later two agents of the Hercules were appointed in their stead. Neither arrangement met the approval of the organized insurance agents of the state, who brought complaint. The manner in which insurance applications were obtained and written also was discussed. The Allstate companies have not been relicensed nor have the two Hercules agents yet been licensed by the state to write other lines of insurance.

### Report on Overdue Balances

TORONTO, Oct. 3.—Returns to the Canadian Association of Insurance Superintendents' questionnaire asking for information on agents' overdue balances show that over 3,200 agents, or approximately 10 percent of the total, are more than 90 days in arrears. Nearly two-thirds of the total number, however, owe \$1,000 or less. Ontario was the only province which made any reference to the total amount of money due, and the figure given does not include all companies or general agents. It was reported that the total due 227 companies with premium income nearly \$29,000,000 was about \$400,000, or 1.4 percent.

### D. S. Ladd in Hospital

D. S. Ladd has resigned his position with the Cleveland branch of the Underwriters Adjusting because of ill health and is now undergoing treatment at the Marine hospital in Cleveland. After he has recovered he expects to become sales manager for an auto sales concern in Philadelphia. He has been an adjuster in Ohio for about 15 years.

### Former Commissioner Injured

Col. J. R. Young, former North Carolina insurance commissioner, was painfully but not seriously injured when he was struck by an automobile near his home in Raleigh.

**10 YEARS**

OF SERVICE IS THE PROUD  
RECORD OF THE YORKSHIRE  
INSURANCE COMPANY. YEARS  
OF EXPERIENCE ASSURE  
SOUND POLICIES — CON-  
SERVATIVE YET PRO-  
GRESSIVE MANAGEMENT  
— ASSETS BEYOND THE  
COMPANY'S UNQUESTIONED  
FINANCIAL STRENGTH

*Will Wrightem*  
FIELD CORRESPONDENT

**THE YORKSHIRE**  
INSURANCE CO. LTD.

**LONDON & PROVINCIAL**  
MARINE & GENERAL INS. CO. LTD.

**SEABOARD**  
FIRE & MARINE AND THE

**YORKSHIRE**  
INDEMNITY CO. OF N.Y.

**90 JOHN STREET, NEW YORK, N. Y.**

FRANK J. BUCHER, President

WM. F. KRAMER, Secretary

Organized 1865

THE

**Reliable Fire Insurance Co.**

DAYTON, OHIO

**Surplus to Policyholders \$988,081**

An independent Ohio Company with a record of more than  
68 years of honorable dealing with Agents and Assureds



## Semi-Annual Figures Reported

(From Georgia Insurance Department Records)

	Capital	FIRE Assets	Surplus	Income	Disburse.
Allemania .....	\$ 1,200,000	\$ 4,723,519	1,725,699	717,495	852,827
American Equitable .....	1,000,000	9,266,803	2,558,062	2,201,553	2,542,137
British General .....	850,350	1,249,716	353,875	225,342	240,836
British America .....	200,000	2,291,002	1,095,644	406,725	439,506
Bankers Fire, N. C. ....	200,000	331,132	51,822	42,486	43,373
Columbia, N. J. ....	1,000,000	3,303,309	1,284,037	451,037	431,372
California .....	1,000,000	5,050,211	2,277,980	865,550	863,269
Commercial Union, Eng. ....	17,700,000	12,348,750	5,691,448	3,222,765	3,342,897
Commercial Union, N. Y. ....	1,000,000	2,896,056	826,268	498,824	501,060
Columbia, O. ....	1,000,000	2,574,252	1,009,623	293,712	291,172
Dixie Fire .....	500,000	1,331,441	533,822	127,040	115,813
Empire State .....	1,000,000	2,799,433	1,206,087	338,897	623,386
Fireman's Fund .....	7,500,000	32,484,588	7,509,272	7,629,008	7,112,170
General Exchange .....	1,000,000	16,143,160	8,097,937	5,240,820	4,169,996
Globe & Republic .....	1,000,000	5,543,110	1,101,254	1,350,090	1,566,780
London & Provincial .....	200,000	1,002,512	315,590	192,531	207,181
London Assur. ....	400,000	7,380,045	3,518,388	2,025,135	1,995,192
Lumbermen's, Pa. ....	1,000,000	4,507,559	1,550,405	914,131	902,775
New York Under. ....	2,000,000	7,302,316	4,900,000	642,276	599,849
Phoenix, Eng. ....	.....	7,834,418	3,307,323	1,733,742	1,952,076
Palatine .....	1,000,000	3,628,058	1,622,418	727,836	773,313
Royal Exchange .....	400,000	4,308,517	1,589,872	1,241,342	1,284,585
Scottish Union .....	1,500,000	8,367,393	3,713,192	1,693,637	1,597,489
Seaboard, N. Y. ....	500,000	2,065,959	677,615	416,647	434,828
Southern Fire, N. C. ....	200,000	1,261,436	680,791	207,974	195,171
Tokio .....	500,000	12,914,341	10,038,775	1,308,536	1,240,405
Union, Eng. ....	250,000	2,704,740	1,001,923	577,726	621,309
United States .....	2,000,000	24,389,089	11,494,916	4,951,899	5,191,273
Western Assurance .....	400,000	3,887,556	746,791	774,867	788,972
Richmond .....	1,000,000	3,998,047	1,542,101	552,770	693,450

### Time Extended to Oct. 18 On Rehabilitation of G. & R.

NEW YORK, Oct. 3.—Supreme Court Justice Alfred Frankenthaler has extended to Oct. 18 the time within which the rehabilitation plan of the Globe & Rutgers is to be made effective. Counsel for the company explained to the court that the physical task of checking consents to the reorganization program, was so great as to make impossible its completion by Oct. 1, the time limit previously set.

He stated further that application will shortly be made to the Reconstruction Finance Corporation and to Superintendent G. S. Van Schaick of New York for consent to declare the plan operative. H. E. Bilkey, vice-president of the G. & R., is greatly encouraged over the support of the reorganization program, and expressed confidence that the company would shortly actively reenter the business arena.

### Washington Society Elects

Otto D. Sanford, registrar of the Northern Life of Seattle, has been elected president of the Insurance Society of Washington to succeed Milo Wilcox of the Northwestern Mutual Fire. T. P. Evans, Washington Survey & Rating Bureau, was named first vice-president; Ainsworth Blogg, Northwestern Mutual Fire, second vice-president, and Mrs. Elizabeth Miller, United Pacific Casualty, secretary-treasurer.

### Cook County Field Club Meets

The Cook County Field Club, organization of Chicago special agents, will start its 1934-1935 meetings Oct. 15 at a luncheon gathering in the Atlantic Hotel there. The speaker has not been selected.

### Lauterbach & Eilber Honored

COLUMBUS, O., Oct. 3.—Officials of the Continental gave a luncheon to Lauterbach & Eilber in honor of their having represented the company continuously 25 years. In attendance at the luncheon were E. A. Henne, vice-president and H. W. LaRue, secretary from the western department. Mr. Henne presented Frank Lauterbach and Wesley Eilber with inscribed gold medals as a token of the company's appreciation of long and faithful service. This agency was organized in 1868 by John W. Lauterbach, father of Frank Lauterbach and the present partnership was formed 41 years ago.

Morrison & Parsons of Iowa City, Ia., have purchased the insurance business of the Long Loan & Investment Company. Five companies were involved in the transfer.

### Shallcross Host at Dinner for Group's Baseball Team

NEW YORK, Oct. 3.—In celebration of the North British & Mercantile's team winning the championship of the Insurance Baseball League of New York City this season, its members were guests of C. F. Shallcross, United States Manager, at a dinner held here. As the team proved victors in the league for three years the silver cup donated for the contests by Mr. Shallcross is now its permanent property. In addition to Mr. Shallcross, Assistant United States Managers C. E. Case and A. R. Thommasson spoke of the work of the team members.

## PROVIDENCE WASHINGTON INSURANCE CO.

of Providence, R. I.

Capital \$3,000,000

INCORPORATED 1923

## ANCHOR INSURANCE CO.

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Each of these Companies writes the following classes of Insurance

**FIRE—TORNADO—OCEAN and INLAND MARINE  
AND THEIR ALLIED LINES  
AUTOMOBILE—FIRE, THEFT and COLLISION**

COMBINED POLICIES

AUTOMOBILE—FULL COVERAGE

GOLFERS' EQUIPMENT and LIABILITY

WITH

**MARYLAND CASUALTY CO.**

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cahel, Manager

## WHAT IS PLANNED PROGRESS?

"PLANNED PROGRESS" is a definite selling plan for today's agent to win today's business. It is sound—it is progressive—it is profitable. It has proved itself in actual agency operation. It is flexible and workable. It is tailored to fit the individual agent and his locality. Above all it will bring to the agent conscientiously following it results that will forever banish the ordinary hit-or-miss methods of selling insurance. This plan is described in detail in our free booklet "Planned Progress." Write for it today. New Business Department, **Boston Insurance Company, Old Colony Insurance Company,** 87 Kilby Street, Boston, Mass.

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## Unlicensed Companies Condemned

COL. H. P. DUNHAM, insurance commissioner of Connecticut, in a paper prepared for the annual meeting of the ASSOCIATION OF CANADIAN INSURANCE SUPERINTENDENTS, called attention to the growing activities of companies and insurance outfits of various kinds roaming over the country without being licensed. This is particularly true with mutual benefit life associations and other similar concerns that do business by mail. Under the ruling of the United States Supreme Court a company can solicit business by mail in another state than that in which it is located and need not have a license. However if it has an agent or any representative in any state, then it is amenable to the laws. For instance, Colonel DUNHAM said that there are about 110 insurance concerns that are soliciting business in

Connecticut by mail that are not admitted. Such a situation is considered very confusing.

The Dominion of Canada fortunately can reach outfits of this nature through its postal laws. Many of these concerns use the radio, most of them use magazine advertising or employ the circular mail route getting lists of prospective policyholders. The CHICAGO BETTER BUSINESS BUREAU has been publishing advertisements in the daily papers calling attention to the danger of dealing with these unlicensed companies and stating that policyholders make a mistake in taking insurance with a company that is not regularly admitted to the state. It presents some experiences showing where policyholders have been greatly embarrassed by dealing with unlicensed outfits.

## Wanted—A Department of Research

THE NATIONAL UNDERWRITER from time to time has pointed out what in its opinion is particularly needed in fire insurance, that being a laboratory manned with experienced people who can study insurance from an impartial standpoint, seek new markets for it, ascertain the needs of the public, listen to complaints and see if they are well taken and recommend ways and means of popularizing insurance coverages. This laboratory would be distinct from present organizations. It would have no relation with rating or underwriting unless its contacts proved that there were grievous sins of omission or commission being committed that created prejudice against insurance.

P. D. BETTERLEY, treasurer of the GRANTON & KNIGHT Co. of Worcester, Mass., in his talk before the NATIONAL ASSOCIATION OF INSURANCE AGENTS at Grand Rapids brought out the same thought. He

advocated a department of research for insurance companies. He said there is no place now where buyers of insurance can go with their complaints, requests or suggestions. There should be, he said, some established organization which would be a liaison office between the companies' and the premium payers. He might also well have said the agents and the companies need such an agency.

To our way of thinking insurance is overlooking one of the vital factors that would be put in motion to the break down of angularities and prejudices. We have no organization that is studying the public side of insurance, that is seeking to eliminate the incongruous and impractical and trying to fit insurance more suitably and perfectly to the requirements of the day. Mr. BETTERLEY is justified in the suggestions that he made.

## Concentrating One's Efforts

SOME people are wasting their mental and spiritual resources because they attempt to do the impractical and the fanciful. They do not appreciate the fact that one's mental capacity can be

directed along all sorts of lines. But scattering one's fire is wasteful. Thinking should be centered on projects that have in them definite possibilities of achievement.

## PERSONAL SIDE OF BUSINESS

L. C. Couch, agent in Taunton, Mass., has some very old company signs in his office. He believes that one sign of the Home has been hanging in that office since 1858. Another one for the Fire Association has been in the office for 60 years.

Ralph L. Parsons of the local agency of Morrison & Parsons of Iowa City, Ia., got into the public print when his partner, Sam T. Morrison, was attending the meeting of the National Association of Insurance Agents at Grand Rapids. Mr. Parsons got the first hole-in-one in the year at the Iowa City Country Club when in a golf game he holed his tee shot on No. 7, 180 yards. It is one of the toughest holes on the course.

The committee on public relations of the Pacific Board in the Merchants Exchange building, San Francisco, has gotten out a booklet entitled, "The History of Various State Insurance Experiments," the author being Percy F. Garnett, who is head of the public relations department of the organization.

In addition to the introduction there is a brief history of the insurance experiments that have been tried in various states. This is a valuable book of information, giving as it does impartial information as to these enterprises that have been started here and there.

Allan I. Wolff of Chicago, immediate past president of the National Association of Insurance Agents, who was given a magnificent office desk on his retirement from the chief executive position in his organization, finally decided to put it in his private office in his agency in the Insurance Exchange. Mr. Wolff debated some time owing to the exquisite and ornate nature of the desk, whether he should use it in his home at Ravinia or whether he should have a new private office built large enough to accommodate the desk. He has had numerous visitors during the week looking at the lovely piece of furniture.

A letter addressed simply "To the Most Unique and Original Advertiser in the United States, Kansas City, Mo.," recently was delivered to Lyle Stephenson of the "Leave-it-to-Lyle" agency.

H. W. Schmeman, veteran Detroit local agent, died in a hospital there from peritonitis following an emergency abdominal operation. He was born in Detroit in 1878 and in 1905 founded the H. W. Schmeman & Sons agency, continuing as president until his death. H. W. Schmeman, Jr., and E. J. Schmeman were associated with him in the agency.

Mr. Schmeman was especially active in civic and musical circles in Detroit and for 25 years led Schmeman's Military Band, which played every summer on Belle Isle. He was president of the Detroit Federation of Musicians at the time of his death and for 25 years was one of the leaders of the Goodfellows, an organization of former newsboys which each year raises funds to provide Christmas cheer for poor children.

About 14 months ago most of the fire insurance executives of San Francisco gathered at a dinner to speed Edwin Parrish on his voyage on the uncharted sea of retirement. Despite his more than 40 years of active service in fire insurance, Mr. Parrish retired hale, hearty and filled with the enthusiasm for living.

This week practically the same group of fire company executives are welcoming Mr. Parrish back into harness with even greater vigor than when they celebrated his voluntary retirement. He responded to the call of Ernest Sturm of the America Fore group and recently resumed his old position as vice-presi-

dent for the companies on the Pacific Coast. He succeeds his former associate vice-president, A. L. Merritt, who resigned last month to become Pacific Coast manager of the Pearl Assurance and affiliated companies.

The "coming back" party was arranged by a committee consisting of Clifford Conly, manager Great American and Phoenix of Hartford groups; T. H. Anderson, retired manager Liverpool & London & Globe, and Joy Lichtenstein, Pacific Coast manager Hartford.

On Thursday of this week, Ross D. McIntyre of Anamosa, Ia., will round out 30 years as an agent of the Great American in his city. State Agent W. A. Harvey is giving a dinner at Cedar Rapids on that evening in honor of Mr. McIntyre.

J. S. Frelinghuysen, president of the Stuyvesant, suffered a fractured rib in a fall in a bathtub at his home in Far Hills, N. J., and will be confined to his home for several days.

Glenn Cavanaugh, of the Cavanaugh Company, Omaha, general agent for the Homestead Fire and New Brunswick Fire, has been elected district governor of Kiwanis International.

M. C. Clay, 71, former Kentucky insurance commissioner, died at his home at Mt. Sterling, Ky. He suffered a paralytic stroke earlier in the week.

C. R. Horswell of Watertown, S. D., former South Dakota insurance commissioner, has been named district agent for the Northwestern Mutual Life in charge of several counties in northeastern South Dakota.

A. A. Clothier of Minneapolis, 68, since 1908 state agent of the Firemen's group in the Twin Cities, died last week. He went to Minneapolis in 1880, being successively connected with Stone & Hurlbert, Christian & Wagner and F. H. Wagner before entering field work.

Joy Lichtenstein, vice-president of the Hartford Accident and Pacific Coast manager of the Hartford Fire, was guest of honor at a banquet at which Pacific department heads of the companies served as hosts.

J. H. McCormick of Hartford, secretary of the United States office of the Scottish Union & National, and vice-president of the American Union and Central Union, has been operated on at the St. Francis hospital in his city for appendicitis and is in a critical condition.

Carl Claussen of Chicago, western manager of the London & Lancashire group, is confined to his bed at his home, 5930 Neva avenue, Norwood Park, Chicago, owing to an automobile accident at Dorset, Vt., near Manchester, where he had gone to attend the meeting of the Western Underwriters Association. Mr. Claussen was pretty well shaken up and his shin bone was fractured. This necessitates him being on his back. He probably will be laid up for the next couple of weeks or so.

H. R. Burke of San Francisco, recently retired as manager for the Royal group Pacific Coast department, accompanied by Mrs. Burke, on a motor trip to visit the world fair at Chicago, then to southern points, stopped over in Omaha a couple of days last week to renew acquaintance with Mr. and Mrs. D. B. Welpton formed during the adjustment of losses by the great conflagration in San Francisco in April, 1906, on which both Mr. Burke and Mr. Welpton worked.



# FIRE PREVENTION WEEK



Who can know the fires, conflagrations and life loss which have NOT occurred because of the thoughtful preventive measures taken during our national annual FIRE PREVENTION WEEK?

PROVED BY THE ACID TEST OF TIME

## The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



## of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY  
ERNEST STURM, Chairman of the Board  
BERNARD M. CULVER, President

*New York, N.Y.*

NEW YORK — CHICAGO — SAN FRANCISCO —

ATLANTA

DALLAS

MONTREAL

# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Indianapolis Membership Plan

**Local Board There Seeks to Swell National Association Ranks—Officers Are Reelected**

INDIANAPOLIS, Oct. 3.—An active campaign for more members was decided upon at the annual meeting of the Indianapolis Fire Insurance Agents Association. The word "Fire" was stricken from the title of the association. The meeting was well attended and much interest was manifested in the activities and program of the National Association of Insurance Agents, as brought out at the annual meeting in Grand Rapids.

#### Dues Reduced to \$15

Indianapolis association members feel that the National body should be strengthened as much as possible by an increase of membership and it was largely with this in view that the campaign for more local members was decided upon. Dues were reduced from \$25 to \$15, most of which will go to the state and national bodies. Restrictions to membership were also lightened and any licensed fire or casualty agent will now be eligible. Heretofore only full time fire insurance agents were admitted to membership.

Officers were reelected as follows: President, E. W. Hoover; Vice-president, C. O. Janus; Secretary-treasurer, J. W. Stickney. C. C. Duck, J. R. Welch, Jr., and R. W. Mumford were elected to succeed themselves as directors and H. J. Spier was elected to fill a vacancy on the board.

### O'Malley Is Only Speaker on Missouri Agents' Card

JEFFERSON CITY, MO., Oct. 3.—Superintendent R. Emmet O'Malley of Missouri will be the principal speaker at the annual meeting of the Missouri Association of Insurance Agents here Oct. 12.

It is anticipated that Superintendent O'Malley will stress the need for co-operation between the insurance department, the companies and their agents. He has had the whole-hearted support of the Missouri association under the leadership of President A. L. McCormack of St. Louis since he assumed the duties of insurance superintendent. Mr. O'Malley will probably explain the various changes in the Missouri insurance laws he anticipates asking at the next Missouri general assembly in January.

Aside from Mr. O'Malley's talk the annual meeting of the association will be very largely a round table discussion of various problems now confronting the insurance men of Missouri. There will be no set speeches.

The meeting will be called upon to elect a successor to President McCormack who has announced that under no circumstances will he consider reelection to another term. Two years ago the St. Louis members of the state organization under Mr. McCormack agreed to assume the responsibility of putting the state association on its feet financially. The headquarters were then moved from Kansas City to St. Louis. When the McCormack administration took charge there was a serious financial situation confronting the body and a cash balance of \$1.70. The association now has \$619 in cash on hand and is in a position to meet future financial demands as they become due.

### Illinois Codification Progresses

**Insurance Director Palmer Tells of Work—Two Illinois University Professors Are Assisting**

Insurance Director Ernest Palmer of Illinois announces that satisfactory progress is being made in the preparation of a new Illinois insurance code, to be introduced at the next session of the legislature in January, 1935. Experts in the insurance department have been aided throughout the summer in this work by Prof. F. G. Dickinson of the University of Illinois school of commerce and Prof. G. W. Goble of the University of Illinois law school.

The insurance division of the Illinois chamber of commerce has indicated great interest in the work and has offered constructive suggestions. The recently organized insurance section of the Illinois Bar association has offered its help.

Mr. Palmer said the job is divided into two principal sections. First, there is much detail necessary in deleting obsolete sections and properly arranging a mass of individual statutes which have accumulated in the last 50 or 60 years. Then there is the work of strengthening and revising certain important statutes dealing with material questions of supervision as well as inclusion of certain features of importance not heretofore found in the statutes.

Mr. Palmer said the statutes of other important states have been analyzed, court decisions have been reviewed interpreting the statutes and many organizations and individuals have been consulted. Hearings will be held within the next few weeks before the insurance code commission, which was appointed at the last session of the legislature by Governor Horner. The commission consists of Senators James J. Barbour and L. O. Williams and Representatives George Fitzgerald, Benjamin Adamowski and G. J. Johnson.

### Should Have Simple System

**W. D. Wall of Columbus, O., Gives Agents Some Suggestions as to Accounting Methods**

Speaking before the annual meeting of the Ohio Association of Insurance Agents, in Columbus W. D. Wall, certified public accountant of that city who helped to install the new system of accounting adopted by the association, declared that the laborious preparation of reports which are not utilized in any way should be avoided even though they look attractive and formidable. An accounting system for insurance agencies, Mr. Wall declared, must be as simple as the requirements will permit, and the ideal accounting system must be flexible, equally adaptable to large and small agencies.

Under the heading of technical results to be obtained through the use of proper accounting procedures, Mr. Wall mentioned an accurate record which reflects the financial standing of the agency to include assets, liabilities, reserves and capital accounts; a complete record under proper classifications of all income and expense, either on the cash or accrual basis; and the development of such internal reports as will afford comparisons with past performances and with budget estimates. The speaker also urged that all cash received be frequently deposited in bank; that all dis-

bursements be made by check signed by one in authority and that small payments not conveniently made by check, be made from a petty cash fund kept on the imprest basis, so that even these eventually will be covered by a bank check. Mr. Wall asserted that in too many small agencies, no control over accounts receivable is maintained and only by chance may errors or omissions be detected.

Commissions, Mr. Wall added, should be taken into income in the period when earned, rather than in the period when realized, and expenses should be charged against income in the period when incurred, regardless of when they are paid. Commissions earned and commissions paid should be classified according to the class of insurance from which they originate.

### Report on Ohio Investigation

**Cuyahoga County Bar Association's Insurance Committee Presents Conclusions at Cleveland Meeting**

CLEVELAND, Oct. 3.—The Cuyahoga County Bar Association, which has been investigating insurance activities in Ohio, gave a partial report of the findings at a dinner meeting. Insurance agents and company representatives attended. President J. L. Stern pointed out several cases where he alleged insurance had been used as a racket. Certain motorist associations, he said, have offered insurance illegitimately as a part of their many listed benefits.

Members of the insurance committee gave reports. M. C. Harrison talked on casualty insurance. Unless remedies are found it is likely insurance eventually will be socialized and the state given full control. E. S. Byers said that no life policy ought to be issued which covers more than pure protection. Any charge beyond that is a speculative measure.

H. F. Payer outlined the trend of court rulings in cases where insurance companies were the real parties in interest. Damage suits were discussed in illustration.

Frank Warady, talking on the fire situation, analyzed standard form policies, which he said are contrary to the statutes. He pointed out that companies only paid for the value of property destroyed but that a double depreciation was taken.

L. F. Kreiter, deputy from the insurance department, expressed his opinion that the bar association had taken a forward step and that it was necessary to make the public more insurance conscious.

President Stern said that the problems of insurance regulation were of greater magnitude than the committee had first anticipated and that the subject might become a federal problem, especially from the standpoint of mail order companies.

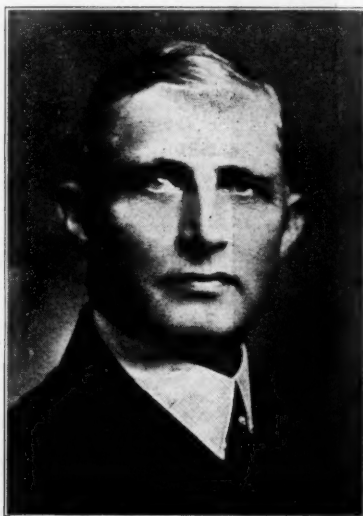
### F. B. Miller Agency Victorious

**Appellate Court Upholds Judgment Against 11 Companies in Behalf of Centralia, Ill., Man**

Judgment has been affirmed by the Illinois appellate court, fourth district, in the case of the F. B. Miller agency of Centralia, Ill., against the Home of New York and 10 other companies. The case has attracted considerable attention during the past two years.

Miller's complaint was that the defendant companies and their field men carried away his records and converted them to their own use and "wrongfully published to the public" that his business had been sold to the John O. Bolin agency of Centralia. A conspiracy was

### Kewanee Local Board Elects First President



A. J. ANDERSON

The Kewanee, Ill., local agents had their field day last week. A. J. Anderson, president of the local board, presided at the banquet. Talks were made by Sherman Coultas, state fire marshal, Ray T. Nelson, special deputy of the state insurance department, L. H. Bridges, special agent of the Home and former most loyal grand gander of the Blue Goose, and S. E. Moisan, secretary Illinois Association of Insurance Agents. Alvin S. Keys of Springfield, president Illinois Association of Insurance Agents, was present and made one of the chief talks. There were a number of field men present and some local agents from other cities. Mr. Keys got the golf prize for the low gross and Fred Ticknor of the Springfield F. & M. got the high score prize. F. E. Doherty of Chicago, deputy state fire marshal, was one of the guests.

The Kewanee Underwriters Association is a brand new organization. Aside from President A. J. Anderson, Daniel Heinrich is vice-president, I. D. McDowell, secretary and treasurer. M. G. Palmer, Edwin Faull and W. W. Calhoun are the committee that draws up the constitution and by-laws. Mr. Anderson is a former president of the Illinois Association of Insurance Agents.

also charged to damage and destroy Miller's business in that the defendants "maliciously" complained to the Illinois insurance department that Miller agency and its officers were unfit to engage in the insurance business. Seven of the companies wrote to the insurance department to the effect that the Miller agency was unethical in its practices.

#### Letters Found Similar

The appellate court held the information detailed in letters to the insurance department is so similar in wording, composition and manner of presentation that the inference may well be drawn that it was part of a scheme for concerted action to prevent Miller from holding a state license. It is conceded that the companies had the right to revoke the agency of Miller at any time. There is no evidence of any contract between the parties covering the ownership of expirations. Miller claims to be the owner of the expirations, while the companies contend that the ownership is regulated by custom. For a long period Miller had not observed the custom of making remittance of premiums within the 45-day period. Payments were remitted from



# LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855

80 YEARS IN BUSINESS

**Surplus to Policyholders, Dec. 31, 1933, \$15,719,163.78**

(Securities at Market Value)

Organized 1853

THE GIRARD

FIRE & MARINE INSURANCE CO.

Surplus to Policyholders Dec. 31, 1933

**\$2,380,826.52**

Securities at Market Value

82 YEARS IN BUSINESS

Organized 1854

THE MECHANICS  
INSURANCE COMPANY OF  
PHILADELPHIA

Surplus to Policyholders Dec. 31, 1933

**\$2,181,651.19**

Securities at Market Value

81 YEARS IN BUSINESS

Organized 1868

NATIONAL-BEN FRANKLIN  
FIRE INSURANCE CO. OF  
PITTSBURGH, PA.

Surplus to Policyholders Dec. 31, 1933

**\$2,254,726.35**

Securities at Market Value

69 YEARS IN BUSINESS

Organized 1874

THE METROPOLITAN  
CASUALTY INSURANCE CO.  
OF NEW YORK

Surplus to Policyholders Dec. 31, 1933

**\$2,216,188.12**

Bonds Amortized—Stocks Market Value

61 YEARS IN BUSINESS

## AVERAGE AGE

LOYALTY GROUP COMPANIES

**OVER 66 YEARS**

## GROUP LOSSES PAID

OVER

FOUR HUNDRED MILLION

**\$413,592,692.72**

## A LOSS PAYING RECORD

PROVING SECURITY  
AND STABILITY

## OUR BUSINESS ASSETS

## MERIT CONFIDENCE

THESE ARE

AGE - EXPERIENCE - GOOD FAITH

SUCCESS - PERFORMANCE

SOUND INSURANCE PRINCIPLES

Organized 1852

MILWAUKEE MECHANICS'  
INSURANCE COMPANY

Surplus to Policyholders Dec. 31, 1933

**\$5,021,440.67**

Securities at Market Value

83 YEARS IN BUSINESS

Organized 1871

SUPERIOR

FIRE INSURANCE COMPANY

Surplus to Policyholders Dec. 31, 1933

**\$1,780,616.49**

Securities at Market Value

64 YEARS IN BUSINESS

Organized 1870

THE CONCORDIA  
FIRE INSURANCE COMPANY  
OF MILWAUKEE

Surplus to Policyholders Dec. 31, 1933

**\$2,411,805.55**

Securities at Market Value

65 YEARS IN BUSINESS

Organized 1909

COMMERCIAL  
CASUALTY INSURANCE CO.  
Surplus to Policyholders Dec. 31, 1933

**\$2,015,905.60**

Bonds Amortized—Stocks Market Value

26 YEARS IN BUSINESS

WESTERN DEPARTMENT  
844 Rush Street  
Chicago, Illinois

CANADIAN DEPARTMENT  
461 Bay Street  
Toronto, Canada

EASTERN DEPARTMENT

10 Park Place  
NEWARK, NEW JERSEY

PACIFIC DEPARTMENT  
220 Bush Street  
San Francisco, Cal.

SOUTH-WESTERN DEPT.  
912 Commerce Street  
Dallas, Texas

**LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL**

# STANDARD INSURANCE COMPANY OF NEW YORK

Head Office: 80 John Street, New York

J. A. KELSEY, President

C. L. HENRY, Secretary

G. Z. DAY, Vice-President

Statement June 30, 1934

CAPITAL .....	\$1,500,000.00
PREMIUM RESERVE .....	1,305,437.37
OTHER LIABILITIES .....	174,206.98
CONTINGENCY RESERVE .....	164,681.98
NET SURPLUS .....	2,615,535.95
TOTAL ASSETS .....	5,759,862.28

Chicago Branch: 175 West Jackson Blvd.

Alfred J. Couch

Manager Brokerage and Cook County Depts.

## GULF INSURANCE COMPANY

(Rated A Plus)

and Affiliated

## ATLANTIC INSURANCE COMPANY

(Rated A)

DALLAS, TEXAS

● These financially sound and reputably managed companies give business getting service in Illinois, Indiana and Ohio—writing Fire, Windstorm, Full Coverage Automobile and Plate Glass Insurance

45 to 120 days from the date of the issuance of the policies. Proof of payment in such manner over such a period of time destroys the presumption that the parties contracted with reference to the custom. The evidence falls short of establishing a custom controlling the ownership of these expirations. No case has been cited where the ownership of expirations has been under consideration in the courts of review of Illinois. Expirations are acquired and prepared at the expense of the agent. Under the facts of this case, justice and fair dealing between the company and the agency demand that the agent be declared to be the owner of the expirations.

The trial court found that no consent was given for the sale of the expirations and the evidence supports that finding. All witnesses testified that the expirations which were sold had a value. The trial court's findings of actual damage is within the range of the testimony and is supported by the weight of evidence and should be sustained. The acts of the companies disclose a wilful and wrongful disregard of Miller's rights. The finding by the lower court that the companies were actuated by malice is supported by the evidence. Punitive damages were properly assessed.

### Olson Backs Down on Plan To Take Over Insurance

ST. PAUL, Oct. 3.—Governor B. Olson has backed down from his party's platform which calls for the taking over of all insurance business now carried on by private companies.

In a letter to Clyde B. Helm, secretary of the Insurance Federation of Minnesota, the governor said that he is of the opinion the state should not enter the general insurance field because of the large number of mutual, fraternal and cooperative carriers now in the field.

He does favor, however, the state providing social insurance such as old age pensions and is also in favor of the state entering the compensation insurance field "in a competitive sense," because many employees, he says, have been unable to collect compensation awards due them, owing to the failure of some private companies. These uncollectible claims, the governor said, total \$400,000.

The Farmer-Labor platform, on which Mr. Olson is running, pledges the party to take over all insurance business and operate it without profit. This plank has caused considerable uneasiness among insurance men of the state because of the undeniable strength of the Farmer-Labor party.

### Report on State Funds

The North Dakota state hail fund is having difficulty in liquidating under the 1932 act abolishing it. In that year, which was the last year of operation, earned premiums were \$54,420 while the losses were \$106,803. While the hail department shows a paper profit on its past experience, it has a large volume of uncollected premiums and owes the soldiers' compensation sinking fund \$345,000.

Premiums and losses of the South Dakota state hail fund have decreased markedly because of the drought. The distribution of federal money, however, has enabled the fund to collect \$34,000 in delinquent hail taxes.

### Rules for CCC Corn Cover

The Ohio Inspection Bureau has issued an announcement to the effect that insurance may be written on corn sealed in cribs and warehouses, only while located on farms, under the 1934-1935 corn loan plan of the Commodity Credit Corporation as security for a loan granted by the corporation or lending agencies, under a certificate plan, this being subject to the terms and conditions of an open policy. A rate of 75 cents for each \$100 of insurance shall be charged, covering fire, lightning, tor-

nado and hail, and all certificates must be for not less than one year. These rules and rates, however, the bureau points out, are not to apply to specific insurance on grain, which is not pledged under the 1934-1935 loan plan of the CCC. The regular rules governing the cancellation of policies apply to these certificates.

### Not Writing at Cut Rates

Secretary George M. Gray of the Ohio Hardware Mutual of Coshocton, O., states that a recent article to the effect that J. H. Crow who represents the company could write business below tariff rates is incorrect. Mr. Crow represents the company but Mr. Gray says he must secure tariff rates. The company, he said, cannot promise any return in the future but it has been paying 40 percent dividends on the unabsorbed premium on hardware and 25 percent on general lines in the past.

### Opens Office at Wichita

Willard McKnight of C. C. McKnight & Co., Enid, Okla., is opening an office at Wichita, Kan., representing the McKnight Company. Willard McKnight will travel the western half of Kansas for the company, which has just acquired the general agency for Kansas of the Commonwealth Fire. The company has represented the Commonwealth in Oklahoma heretofore.

### Gas Explosion Suits Settled

COLUMBUS, O., Oct. 3.—Sixty-five suits brought against the Columbus Gas & Fuel Company as a result of the explosion in the new state office building April 14, 1932, in which a large number of persons were killed or injured, have been settled out of court and dismissed. The largest payment made in any one case was \$75,000. The state's case against the company was settled some weeks ago for \$400,000. It was contended that the explosion was caused by a leaking gas main.

### Report Made on Hamilton, O.

The National Board has reported on Hamilton, O., finding that the water supply is adequate and fairly reliable. There are valuable improvements under way. The fire department is under equipped and seriously undermanned. The fire alarm system is incomplete and somewhat unreliable. The engineers say that in the principal mercantile district serious group fires are probable but they should be confined to block of origin. The minor mercantile and manufacturing districts are subject to group local fires.

### Peterson Gets Leave

DETROIT, Oct. 3.—R. M. Peterson, Detroit manager of the Underwriters Adjusting, has been granted a leave of absence because of illness and will spend the winter in Arizona. W. R. Hamann of the Saginaw branch has been transferred temporarily to Detroit as acting manager.

### Add to Kansas Program

WICHITA, KAN., Oct. 3.—Jesse Greenleaf of the Kansas state corporation commission and chairman of the Kansas Safety Council has been added to the program of the annual convention of the Kansas Association of Insurance Agents being held here Oct. 10-12. Wade Patton, Hutchinson, secretary-treasurer was here conferring with President Duane T. Stover, and final plans for the convention were completed. Advance registrations indicate more than usual interest in the convention at the Lassen Hotel.

### Plan Indiana Meeting

The program for the annual meeting of the Indiana Association of Insurance Agents to be held Oct. 18-19 at Bloomington, home of President G. B. Woodward of the association, is shaping up but no announcement of speakers has



been made. It is expected that entertainment for the visitors, including golf, will be provided on Thursday afternoon, first day of the meeting, and that Friday will be largely devoted to business sessions.

#### Cleveland Board Meets Oct. 24

The first fall meeting of the Cleveland Board will be held Oct. 24. J. F. Connors, Jr., assistant district manager of the Home Owners Loan Corporation, will be the speaker.

#### May Change Iowa Liquor Law

DES MOINES, Oct. 3.—The state administration will seek a change in the Iowa law so the liquor control commission may carry insurance on liquor stocks and fixtures in the state stores, according to Gov. C. L. Herring. The statement was made after announcement of Attorney-general E. L. O'Connor and H. M. Cooper, chairman of the commission, made jointly that "there is a legal technicality involved in the recent purchase of insurance, but there is a moral obligation for the payment of the premiums." The statement added that the commission will not present the premium claims for payment at this time but will hold them until the legis-

lature has been requested to pass an enabling act permitting payment of the premiums legally.

In a written legal opinion by Attorney-general O'Connor, it is held that the liquor control act does not authorize the commission to take out the insurance recently purchased. The opinion also stated any losses to liquor store stocks and fixtures should be paid from the state's general contingent fund. The attorney-general held that the commission acted without authority when it placed insurance upon its liquor stocks and there is no legal obligation on the state's part to pay the \$7,000 in premiums now coming due.

#### Dayton Agency Is Incorporated

The Macbeth-Mitchell Insurance Agency, Dayton, O., has been incorporated by Thomas E. Wood, John F. Ankenbauer and L. C. Graham. The officers of this new agency are: J. L. Macbeth, president; C. G. Mitchell, vice-president; L. C. Graham, secretary, and John F. Ankenbauer, treasurer. Mr. Macbeth has been vice-president of Anderton-McCabe-Shepherd, Dayton local agency, from which he recently resigned to take this new position. Mr. Mitchell was the manager of the Thomas E. Wood Agency in Dayton, which is now

being merged into the new agency. Messrs. Ankenbauer and Graham are both Cincinnati men, connected with the Thomas E. Wood agency and are president and vice-president, respectively, of the Eureka-Security Insurance Agency, which recently took over the business of the Cincinnati Underwriters Agency Company. The new agency will represent the Pearl, Eureka-Security, Lumbermen's, Pa., Monarch and General Accident.

#### R. W. Grow Makes Change

Russell W. Grow, vice-president of the Freese agency of Detroit since 1927, has severed his connections and in the future will operate individually with offices at 479 Ledyard street, Detroit, and will represent the Pearl and General Accident.

#### Organize Large Prevention Group

A city wide safety and fire prevention organization has been set up in Hutchinson, Kan., embracing representatives of the fire and police departments, chamber of commerce and 18 other civic organizations, according to Reuben Miller, president of the Hutchinson Insurance Board, which sponsored the organization. Meetings of the Hutchinson

Board have been resumed after the usual summer vacation.

#### Report on National Meet

Frank T. Priest, Kansas national councillor and new member of the executive committee of the National association; Duane T. Stover, president of the Kansas association and A. E. Smoll, past president of the Wichita Insurers, gave reports on the national convention at the meeting of the Wichita Insurers. C. K. Foote, chairman of the convention committee, outlined plans for the Kansas convention at Wichita Oct. 10-12.

#### Honored by Fireman's Fund

P. K. Morrison & Co., Muncie, Ind., have received from the Fireman's Fund a tribute in appreciation of more than 25 years' continuous representation.

#### Middle West Notes

The agency of the late H. I. Gray, Greenfield, O., is to be continued by his widow.

N. B. Francis, formerly a member of the Carle-Francis Agency and in recent years operating his own sole agency at Janesville, Wis., died at his home as the result of injuries received in an automobile accident.

## INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

### CANADA

#### Mehr & Home

Barristers & Solicitors  
25 West King Street  
Toronto, Canada

Counsel for National Surety Company, London Guarantee & Accident Company Limited, United States Casualty Co., Union Indemnity Co. and United States Fidelity & Guaranty Company.

### DIST. OF COLUMBIA

#### HENRY I. QUINN

Woodward Building  
Washington, D. C.

Central Surety National Fire, Continental Casualty, Greyhound Management Corporation, London & Lancashire Indemnity, Mass. Bonding, Metropolitan Casualty, National Union Fire, United Services Auto Association, U. S. Casualty, U. S. Guarantee Company, Yorkshire Indemnity and others.

### ALABAMA

#### LAW OFFICES OF Coleman, Spain, Stewart & Davies

706 to 719 Massey Building  
Insurance Attorney  
Birmingham, Alabama

### ARIZONA

#### KIBBEY, BENNETT, GUST, SMITH & ROSENFELD PHOENIX, ARIZONA

John L. Gust Fred W. Rosenfeld  
Frank O. Smith H. L. Divilbess  
Ivan Robinette  
GENERAL INSURANCE PRACTICE

### CALIFORNIA

#### J. K. LILLY

354 Haberfelde Bldg.  
Bakersfield, California

### CALIFORNIA (Cont.)

#### WAKEFIELD & HANSEN

Attorneys at Law

310 Brix Building

Fresno, California

Claims Referred to Responsible Adjusters

#### A. Ronald Button

6331 Hollywood Blvd. Suite 214-222  
Hollywood, California

Equipped for adjustments, investigations and trial of all cases.

#### Herbert Moore

427-S First National Bank Bldg.  
Long Beach, California

Equipped for investigations, adjustments, settlement of claims and trial of all cases.

#### HOLBROOK, TAYLOR, TARR & REED

710 Title Insurance Building  
Los Angeles, California

Equipped for adjustments, investigations and trial of all cases.

#### George H. Moore

918 Fidelity Building  
Los Angeles, California

Equipped for adjustments, investigations and trial of cases.

#### O'MELVENY, TULLER & MYERS

433 South Spring St.  
LOS ANGELES, CALIF.

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#### MacFARLAND, SCHEINMAN & SISENWEIN GARFIELD BUILDING LOS ANGELES, CALIF.

Equipped to handle all phases of insurance practice.

#### IRVING E. READ

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Los Angeles, Calif.

Member of Chicago Bar from 1912 to 1929

#### GRIFFIN & BOONE

1007 H Street  
Modesto, California

#### Dunn, White & Aiken

Sixth Floor, Syndicate Bldg.  
Oakland, California

#### Kelley & Hews

Attorneys at Law  
316 Citizens Nat. Bldg.  
Riverside, Cal.

Trial of cases in Riverside, San Bernardino and Imperial Counties, California. Claims Referred to Responsible Adjusters.

#### BUTLER, VAN DYKE & HARRIS

604 Capital National Bank Bldg.  
Sacramento, Calif.

Equipped for Investigations, Adjustments, etc.

### CALIFORNIA (Cont.)

#### STICKNEY & STICKNEY

1111 First National Bank Building  
San Diego, California

Equipped for adjustments, investigations and trial of all cases.

#### DINKELSPIEL & DINKELSPIEL

333 Montgomery St.  
San Francisco, Calif.  
Martin J. Dinkelspiel  
John Walton Dinkelspiel  
David K. Lener  
Fred S. Herrington  
Alfred Del Carlo

#### BRONSON, BRONSON & SLAVEN

Mills Tower  
San Francisco, Cal.

#### GOLDMAN & ALTMAN

615 Russ Building  
San Francisco, California

#### Bohnett, Hill & Cottrell

807 First National Bank Building  
San Jose, California

Equipped to handle claim investigations.  
Trial of Cases. Santa Clara County, Santa Cruz County, San Benito County.

#### C. Douglas Smith

I. O. O. F. Bldg.  
Santa Maria, California

Trial of cases and complete claims service in Santa Barbara and San Luis Obispo Counties

# INSURANCE ATTORNEYS

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## COLORADO

**Smith, Brock, Akolt & Campbell**  
13th Floor Telephone Bldg.  
Denver, Colo.

**Gabriel, Mills & Mills**  
524-9 Kittredge Bldg.  
Denver, Colorado

## CONNECTICUT

**D. H. COTTER**  
945 Main Street  
Bridgeport, Connecticut  
Home Indemnity, Car & General  
Royal Indemnity  
Investigations, Adjustments and Trial  
of all cases.

**Edward J. Myers**  
36 Pearl Street  
Hartford, Connecticut  
Investigations, Adjustments and trial of all  
cases.

**CAMPNER & POUZZNER**  
Samuel Campner      Louis Godfried  
Daniel Pouzzner      Bernard P. Kopkind  
Second National Bank Building  
NEW HAVEN, CONN.

## DELAWARE

**WILLIAM PRICKETT**  
812 Delaware Trust Building  
Wilmington, Delaware  
Investigations, Adjustments and  
Trial of All Cases  
(Employers Liability, Boston, Liberty Mutual,  
Hardware Mutual and others.)

## GEORGIA

**BRYAN, MIDDLEBROOKS &  
CARTER**  
LAW OFFICES  
Suite 1030 Candler Building  
Shepard Bryan      John A. Dunaway  
Grever Middlebrooks      M. H. Meek  
Chauncey Middlebrooks      Yantis C. Mitchell  
W. Colequith Carter  
ATLANTA, GEORGIA

## ILLINOIS

**CASSELS, POTTER &  
BENTLEY**  
1000-209 South La Salle Street  
Chicago, Illinois

**Dent, Weichelt & Hampton**  
1111 The Rookery Building  
Chicago, Ill.  
Special attention to the law relating to all  
classes of Corporate Surety Bonds

**CHARLES C. KIRK**  
812-111 W. Monroe St.  
Chicago, Illinois  
Legal authority on occupational diseases.  
Author recent articles that appeared in The  
National Underwriter

## ILLINOIS (Cont.)

**Schuyler, Weinfeld &  
Hennessy**  
231 South La Salle Street  
Chicago, Illinois

**Silber, Isaacs, Clausen & Woley**  
Attorneys & Counselors  
208 South La Salle Street  
CHICAGO  
Special Attention to the Law of  
Fire Insurance and Taxation

**EDWIN FILSON**  
1st National Bank Building  
Champaign, Illinois  
(Urbana, Illinois—adjoining city)

**Donovan, Bray & Gray**  
400 Rialto Square  
Joliet, Illinois

**CLARENCE W. HEYL**  
8th Floor Central National Bank Bldg.  
Peoria, Illinois  
Trial of Insurance cases; representing  
MARYLAND, FIDELITY & CASUALTY,  
ROYAL GLOBE, EAGLE, BANKERS IN-  
DEMNITY AND OTHERS.

**EARLY & EARLY**  
1010 Talcott Building  
Rockford, Illinois  
Investigations, Adjustments & trial of cases.

**BROWN, HAY & STEPHEN**  
714 First National Bank Building  
SPRINGFIELD

**GILLESPIE, BURKE &  
GILLESPIE**  
504 Reisch Building  
SPRINGFIELD, ILLINOIS  
Trial of all cases—adjustments—investigation.

## INDIANA

**Henderson & Henderson**  
608 Fidelity Trust Building  
Indianapolis, Indiana  
Adjustments, Investigations and Trial of  
Cases

**GEORGE A. HENRY**  
INSURANCE ATTORNEY  
504-5 Meyer-Kiser Bank Bldg.  
Indianapolis, Indiana  
Specially equipped to handle  
Investigations—Adjustments—Litigations

**Slaymaker, Merrell & Locke**  
Attorneys specializing in All Phases of  
Fire, Marine, Life & Casualty  
Insurance Litigation  
751-760 Consolidated Bldg.  
INDIANAPOLIS

## IOWA

**HAVNER, FLICK & POWERS**  
641 Insurance Exchange Building  
Des Moines, Iowa  
Equipped for Investigation, Adjustment and  
Trial of cases.

James B. Ryan      Wm. J. Scarborough  
Ronald L. Ryan      C. W. Smith  
**Maxwell and Ryan**  
Attorneys at Law  
912 Valley National Bank Bldg.  
Des Moines, Iowa

Jesse A. Miller      Oliver H. Miller  
Frederic M. Miller      J. Earle Miller  
**Miller, Miller & Miller**  
LAWYERS  
1316-1318 Equitable Building  
Des Moines

**REED, BEERS & GRAHAM**  
537 Black Building  
Waterloo, Iowa  
Equipped to try cases in state and federal  
court and make adjustments, investigations  
and settlements.

## KANSAS

**J. Sidney Nye**  
509½ Main  
Newton, Kansas  
Equipped for Investigations, Adjustments,  
Insurance Trial Work, Subrogations

**Doran, Kline,  
Colmery, Cosgrove**  
908 National Bank of Topeka Bldg.  
Topeka, Kansas  
Equipped for investigation, adjustment, set-  
tlement and trial of insurance business of  
all kinds in Kansas.

**KELLER, MALCOLM & BURNETT**  
204-208 National Bank Building  
Pittsburg, Kansas  
Counsel for: Aetna Group, Employers Group, Stand-  
ard Accident, Central Surety, United States Fire,  
Fireman's Fund and others.  
Specializing in Insurance Law. Equipped for Trial  
of Cases, Investigations and Adjustments over  
Southeastern Kansas.

**Wall, Winsor & Boyer**  
518 Wheeler-Kelley-Haggy Building  
Wichita, Kansas  
Insurance Companies represented: Hartford Acci-  
dent & Indemnity, Aetna, Globe, Ocean Accident &  
Guarantee, Standard Accident and other Bureau  
Companies.  
General Insurance Litigation. Equipped for adjust-  
ment and investigation.

## KENTUCKY

**BLAKEY, DAVIS & LEWIS**  
Kentucky Home Life Building  
Louisville, Kentucky  
Investigations, Adjustments and Trial of all  
Insurance Cases.

**Woodward, Hamilton & Hobson**  
Insurance Attorneys  
615-24 Inter-Southern Bldg.  
Louisville, Ky.

## MARYLAND

Law Offices  
**WALTER L. CLARK**  
Walter L. Clark      Roszel C. Thomsen  
Clater W. Smith  
1917 Baltimore Trust Building  
Baltimore, Md.

## MASSACHUSETTS

**Phipps, Durgin & Cook**  
75 Federal Street  
BOSTON  
Trial of Insurance Cases

**Edward J. Ryan**  
293 Bridge Street  
Springfield, Massachusetts  
Adjustments and Investigations

## MICHIGAN

**BEAUMONT, SMITH &  
HARRIS**  
2900 Union Guardian Building  
Detroit, Michigan

**Payne & Payne**  
1026 Lafayette Bldg.  
Detroit, Michigan  
Michigan Attorneys for U. S. F. & G. Co.

**Michelson & Pearlstine**  
610 F. P. Smith Building  
Flint, Michigan  
Insurance Companies represented U. S. F. &  
G. and others.  
Trial of cases. Claims, adjustments, investiga-  
tions. Trials in all courts.

**DILLEY & DILLEY**  
545 Michigan Trust Building  
Grand Rapids, Michigan  
Trials all courts. Adjustments—Investiga-  
tions. Fully equipped and experienced in all  
branches of insurance representation.

**Northern Half of Lower Michigan**  
Austin J. Spalding, Attorney  
Lake City  
Exclusively Insurance Company Service  
Full time traveling and direct reports from field  
on all territory North from State Highway U. S. 10.  
Investigations—adjustments—court work.  
Representing Employers Group, General Accident  
Assurance Corp., American Automobile Ins. Co.,  
London Accident & Guaranty, and others.  
Telephone Lake City 31  
Western Union and Postal—Cadillac, Michigan.

**PIERSON & KARLS**  
201 Bearinger Building  
Saginaw, Michigan



# INSURANCE ATTORNEYS

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## MINNESOTA

**SEXTON, MORDAUNT, KENNEDY & CARROLL**  
Adjusters and Investigations sent to any place in the Northwest  
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**Langworthy, Spencer & Terrell**  
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Kansas City, Mo.

**MORRISON, NUGENT, WYLDER & BERGER**  
17th Floor Bryant Building  
Kansas City, Missouri  
Investigations, Adjustments and Trial of all Cases.

**Brown, Douglas & Brown**  
Tuttle-Lacy National Bank Building  
St. Joseph, Missouri

**ALLEN, MOSER & MARSALEK**  
Pierce Bldg.  
St. Louis, Mo.  
Insurance Companies Represented: London, Zurich, Employers, Maryland, Globe, Aetna, etc.

**Wayne Ely and Tom Ely, Jr.**  
Bank of Commerce Building  
St. Louis, Missouri  
Dist. Counsel Fidelity & Cas. Co. of N. Y. General Trial Counsel S. S. Kresge Co. (Self-Insurers) Specialize in trial of cases.

**GREEN, HENRY & REMMERS**  
Boatmens Bank Building  
St. Louis, Missouri

**GREENSFELDER & GRAND**  
705 Olive Street  
St. Louis, Missouri

## NEBRASKA

**Burkett, Wilson, Brown & Van Kirk**  
302 First National Bank Bldg.  
Lincoln, Nebraska  
Equipped for investigations, adjustments, settlement of claims and trial of cases.

**Rosewater, Mecham, Shackelford & Stoehr**  
1028-40 City National Bank Building  
Omaha, Nebraska  
Investigations — Adjustments — Trial work Nebraska and Western Iowa.

## NEVADA

**LLOYD V. SMITH**  
222 Byington Building  
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Insurance Companies represented: Home Ind. Co., N. Y., and Pacific Ind. Co. of Cal. Trial of Cases and equipped for adjustment and investigation.

## NEW JERSEY

**Edward C. Waddington**  
Frank A. Mathews  
**Waddington & Mathews**  
500 Broadway  
Camden, New Jersey

**FRANK J. HIGGINS**  
**F. HOBART HIGGINS**  
26 JOURNAL SQUARE  
JERSEY CITY, N. J.  
Frank J. Higgins, formerly President and Gen. Counsel Hudson Cas. Ins. Co.  
F. Hobart Higgins, formerly Gen. Claims Attorney, Hudson Cas. Ins. Co.

**Samuel M. Hollander**  
COUNSELLOR AT LAW  
Lefcourt Newark Building  
Newark, N. J.  
Investigations—Adjustments and Trial of all Insurance Cases.

**STICKEL & STICKEL**  
Counsellors at Law  
Lefcourt Newark Bldg.  
Newark, N. J.

## NEW YORK

David F. Lee David Levene Daniel J. McAvoy  
**LEE, LEVENE & McAVOY**  
TRIAL LAWYERS  
316 Security Mutual Bldg.  
BINGHAMTON, NEW YORK  
Insurance attorneys. Especially equipped to handle investigations, adjustments and litigation over central New York.

Harold ALPERT & Herman M. GOLDBERG  
Counsellors at Law  
Harold Alpert, Certified Public Accountant  
44 Court Street, Brooklyn, N. Y.  
Investigations, Adjustments and Trial of all cases.

## NEW YORK (Cont.)

**RUMSEY & BARKER**  
52 Wall Street  
New York, New York

**KATZ & SOMMERICH**  
120 Broadway  
New York, New York

**WILLIAM H. MONTGOMERY**  
25 Market Street  
POUGHKEEPSIE, NEW YORK  
Telephone Poughkeepsie 2872  
This office covers Dutchess County, Columbia County, Ulster County, Orange County, Rockland County and Putnam County.  
Investigations, Adjustments, Trial of Cases

**Ackerman, Levet & Geilich**  
175 Main St.  
White Plains, New York  
Westchester, Rockland, Putnam and Dutchess Counties

## OHIO

**Morgan W. Roderick**  
1003 First National Bank  
Canton, Ohio  
Experienced department for adjustments, investigations and settlement of claims. Trials of Cases in all Courts.

**AUGUST A. RENDIGS, JR.**  
1607 Union Central Building  
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The Employers Group: New Amsterdam Casualty Co.; Insurance Co. of N. America and others.  
Investigations, Adjustments and Trial of Cases.

**WOESTE & QUIN**  
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Cincinnati, Ohio

Investigations, adjustments and trial of all cases.

**WILBUR E. BENOY**  
Equipped for investigations, adjustments and trial work throughout Central Ohio.  
2910 A. I. U. Citadel  
Columbus, Ohio

**VORYS, SATER, SEYMOUR AND PEASE**  
52 East Gay Street  
Columbus, Ohio  
Investigations, Adjustments and Trial of All Cases

**Byron D. Kuth**  
1121 Guarantee Title Bldg.  
Cleveland, Ohio  
Federal and State Court Trial Work  
Investigations and Adjustments

## OHIO (Cont.)

**JOHN H. McNEAL**  
502 Auditorium Bldg. 1367 East Sixth St.  
CLEVELAND  
Phone Main 1928  
Attorney-at-Law  
Facilities for Investigations, Adjustments and Trial work over Northern Ohio

**PRICE & PRICE**  
812 Leader Building  
Cleveland, Ohio  
John H. Price, Sr. William Hughes Price  
John H. Price, Jr. Newman S. Price  
General and Trial Practice in State and Federal Courts

**MARSHALL & HARLAN**  
820 Reibold Building  
Dayton, Ohio  
Trial of Cases. Investigations and Adjustments

**Doyle & Lewis**  
Nicholas Bldg.  
Toledo, Ohio

**Barnum, Hammond, Stephens & Hoyt**  
907-812 Mahoning Bank Bldg.  
Youngstown, Ohio  
Adjustment Department  
W. Carlton Young in Charge  
Auto—Fire—Theft—Collision—Liability  
Property Damage—Marine—Burglary

## OKLAHOMA

**SHIPMAN & LEWIS**  
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Bartlesville, Okla.

Equipped for investigations, adjustment and trial of all insurance cases in Pawhuska and East surrounding territory.

**Kruse and Edwards**  
Base Building  
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Ins. Companies represented: U. S. Cas., Liberty Mutual, Bankers Indemnity, Lumbermans Mutual, Yorkshire and others.  
Operating in Garfield County, Kay-Noble Grant. All counties west to Colorado and Texas Line.  
Equipped for Claims Investigations and trial of all cases.

**Embry, Johnson, Crowe & Tolbert**  
First National Building  
Oklahoma City, Oklahoma

**J. S. ROSS**  
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Maryland Casualty, New York Casualty, Aetna, United States Casualty, Continental Casualty and others.  
Investigations, adjustments and trial of all cases.

(Continued next page)

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## OKLAHOMA (Cont.)

**KLEINSCHMIDT & JOHNSON**  
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Tulsa, Oklahoma  
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**MONNET & SAVAGE**  
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Mr. Savage former Assistant Insurance Commissioner of Oklahoma.

## PENNSYLVANIA

**FRANCIS CHAPMAN**  
1500 Walnut Street  
Philadelphia, Pennsylvania  
General Counsel  
Pennsylvania Indemnity Corporation and  
Pennsylvania Indemnity Fire Corporation

**Dalzell, Dalzell, McFall & Pringle**  
450 Fourth Avenue  
Pittsburgh, Pennsylvania

## RHODE ISLAND

**SHERWOOD & CLIFFORD**  
1503 Turks Head Building  
Providence, R. I.  
Trials—Investigations—Adjustments

## SOUTH DAKOTA

**BAILEY & VOORHEES**  
Charles O. Bailey (1886-1928)  
John H. Voorhees Melvin T. Woods, Jr.  
Theodore M. Bailey Roswell Bottom  
Howell L. Fuller  
BAILEY-GLIDDEN BUILDING  
SIOUX FALLS  
INSURANCE PRACTICE

## TENNESSEE

**Trabue, Hume & Armistead**  
American Trust Building  
NASHVILLE, TENN.

## TEXAS

**DAN MOODY and J. B. ROBERTSON**  
Attorneys at Law  
Austin, Texas

**Lawther, Cox and Cramer**  
13th Floor Tower Petroleum Building  
Dallas, Texas  
Counsel Asena Life and Casualty Companies  
Harry P. Lawther, General Counsel and Director,  
Texas Employers' Insurance Association  
and Employers' Casualty Company

## TEXAS (Cont.)

**Leake—Henry and Young**  
Magnolia Building  
Dallas, Texas  
Ocean Accident and Guarantee Corp.  
Columbia Casualty Co.

**Seay, Malone & Lipscomb**  
9th Floor Southland Life Bldg.  
Dallas, Texas  
General Counsel North Texas U. S. F. & G.  
General Counsel Southland Life Ins. Co.  
Representing many other insurance companies.  
Investigations, Adjustments, Trial of all cases.

**JONES, GOLDSTEIN, HARDIE & GRAMBLING**  
710 O. T. Bassett Tower Bldg.  
El Paso, Texas

**Cantey, Hanger & McMahon**  
15th Floor Sinclair Bldg.  
FORT WORTH, TEXAS  
Samuel B. Cantey Samuel B. Cantey, Jr.  
(1883-1934) Alfred McKnight  
William A. Hanger Gillis A. Johnson  
Mark McMahon B. E. Hanger  
W. D. Smith  
Investigations, Adjustments, Trial All Cases

**King, Wood & Morrow**  
12th Floor Shell Building  
Houston, Texas  
Trials—Investigations—Adjustments

**Vinson, Elkins, Sweeton & Weems**  
11th Floor Esperson Bldg.  
Houston, Texas

**Upton & Upton**  
San Angelo National Bank  
San Angelo, Texas  
Investigations, Settlement of Claims  
Trial of All Cases

**BIRKHEAD, BECKMANN, STANARD & VANCE**  
800-811 Gunter Building  
San Antonio, Texas

**TEMPLETON, BROOKS, NAPIER & BROWN**  
1502 Alamo National Bldg.  
San Antonio, Texas  
Trial of Cases

## UTAH

**Stewart, Stewart & Carter**  
1105 Continental Bank Building  
Salt Lake City, Utah  
Equipped for investigations, adjustments, settlement of claims and trial of all insurance cases State of Utah.

## WASHINGTON

**ROBERTS, SKEEL AND HOLMAN**  
Alaska Bldg.  
John W. Roberts W. B. McKelvy  
E. L. Skeel Wm. Paul Uhlmann  
Tun W. Holman Harry Henke, Jr.  
Frank Hunter W. E. Brown  
Tyre H. Hollander Robert H. Gase  
Laurence Booth, Jr.  
SEATTLE

## WISCONSIN

**Sutherland, Hughes & Sutherland**  
National Exchange Bank Bldg.  
Fond du Lac, Wis.  
Equipped for investigations, adjustments of claims and trial of cases in Central Wisconsin.

**Alfred L. Drury**  
Drury Building 5612-7th Avenue  
Kenosha, Wisconsin  
Trial of Insurance Cases

**RICHMOND, JACKMAN, WILKIE & TOEBAAS**  
111 S. Hamilton Street  
Madison, Wisconsin

**James E. Coleman John S. Barry**  
**COLEMAN & BARRY**  
1434 Bankers Building  
Milwaukee  
29 years defense trial practice.

**WOLFE & HART**  
First Wisconsin Nat. Bank Bldg.  
Milwaukee, Wisconsin  
Special attention to the Law of Fire Insurance

**Werner & Clemens**  
501-505 Security Bldg.  
Sheboygan, Wis.  
Equipped for Investigations, Adjustments of Claims and Trial of all Cases.

## WYOMING

**Edward E. Murane**  
14-16 Townsend Building  
Casper, Wyoming  
Maryland Casualty, Standard Accident, Employers Liability, Hartford Accident and Others  
Equipped for investigation, adjustments and trial of all insurance cases in Northern Wyoming.

**George Fredrik Guy**  
412-413 Hynds Building  
Cheyenne, Wyoming  
Loyalty Group, Fireman's Fund, and others.  
Equipped for investigations, settlement of claims, trial of all cases anywhere in Wyoming.

**Rush L. De Nise**  
301-2 First Security Bank Bldg.  
Rock Springs, Wyoming  
Equipped for investigations and adjustments of losses, and trial of all insurance cases in Western Wyoming.

## Southern States Local News

### Commission Division Barred

Commissioner Knott of Florida Rules Against Turning Over Policies Countersigned in Blank

TALLAHASSEE, FLA., Oct. 3.—Where agencies have policy forms prepared in the office of another agency, such service must be compensated on a clerical basis, not a division of commission. Commissioner Knott so holds in amplifying a circular issued Nov. 21, 1933, providing that "agents must retain custody and control at all times.... All agency records and all policy forms." It is reiterated that countersigning policy forms in blank and turning them over to other agencies for completion is a practice absolutely prohibited.

Hereafter any agreement wherein one agency agrees to compensate the other on a basis of dividing commissions for such service of preparing policy forms "will be regarded as prima facie evidence of an intent on the part of all agencies concerned to evade the laws governing division of commissions and the agents involved will be cited for a hearing," says the commissioner.

### New Texas Oil Schedule

Commissioner Mauk of Texas announces that the new oil schedule that was considered at a hearing Jan. 18 has been approved. All oil inspections therefore should be made and submitted to the department for rating on the basis of the new schedule, says Mr. Mauk. Policies are not to be written by any company until after final approval.

### Big Loss in Memphis

Loss which will amount to about \$150,000 was caused by a fire in the Slumber Products Corporation of Memphis. The Lumbermen's Underwriting Alliance of Kansas City was the principal carrier of the line, with insurance amounting to \$56,000.

### Alabama Places Coverage

BIRMINGHAM, ALA., Oct. 3.—Of the \$7,474,295 in fire insurance placed on state owned property for the next year, \$1,009,029 was placed through F. D. Pierce, Birmingham agent, with the Federal Hardware & Implement Mutual, which allowed a 5 percent discount in rates, plus the promise of a 30 percent dividend. Insurance of \$500,777 was placed through Ollie Haynes, Montgomery agent, with the General of Seattle, which offered a 20 percent rate reduction.

The remainder of the insurance was distributed equally among 60 agencies scattered all over Alabama. The state carries \$25,000,000 insurance, all but the \$7,474,295 being in the state insurance fund. Governor-elect Bibb Graves is pledged to the abolition of the state fund and placing the business with individual companies.

### Big Virginia Textile Loss

Loss in a fire which destroyed the plant of the General Textile Corporation at Fredericksburg, Va., last week is estimated at \$200,000, with insurance of approximately half that amount.

### Southern Notes

S. Y. Tupper, southern manager of the Royal Liverpool fleet, has been visiting Texas agencies.

E. B. Rankin, president of the Kenton County Fire for 25 years, died at his home in Nicholson, Ky.

The McClure Insurance Agency, Frankfort, Ky., has purchased the Scott & Haff agency. F. S. Haff plans to retire. Mr. Scott died several years ago.



## PACIFIC COAST AND MOUNTAIN

### California Program Drafted

**Agents Arrange for Annual Meeting at Sacramento—Frank Priest Represents National Association**

A tentative program has been drawn up by the California Association of Insurance Agents for its annual meeting in Sacramento Oct. 24-26. It follows:

**Wednesday, Oct. 24.** Golf tournament and registration.

**Thursday, Oct. 25.** Convention called to order at 10 a. m. Greetings from state officials, city officials of Sacramento, representatives of the National Association of Insurance Agents, the Oregon Association of Insurance Agents and the Insurance Agents League of Washington.

Report of president and officers of the association.

Address: J. A. McGilvray, attorney state motor vehicle department: "California's Responsibility Law."

Joint luncheon with Sacramento Rotary Club. Frank T. Priest, Wichita, Kan., representing the National Association of Insurance Agents, speaker.

Afternoon: Executive session for members only. C. B. White, speaker. Agenda to be announced later.

Evening: Stag dinner and midnight frolic.

**Friday, Oct. 26**

Breakfast conference on political subdivision insurance. W. D. Lamoreaux, chairman.

Conference on agency management and operation. E. R. Pickett, Sacramento, chairman. Talk on the subject by Mr. Priest.

Luncheon meeting, honoring all agents who have joined the association in 1934. Address, "Value of State and National Associations," by W. W. Widenham, Los Angeles.

Afternoon: Conference on agency management and operation.

4 p. m. Reports of committees, resolutions and election of officers.

Friday evening: Annual banquet and dance.

### Criticise Delinquent List Idea

SAN FRANCISCO, Oct. 3.—Companies should be relieved of the necessity of furnishing lists of agents over 90 days delinquent in accounts to the insurance commissioners of California, Utah, Wyoming and New Mexico, if the commissioners do not follow out their original plan of checking up chronically delinquent agents, in the opinion of the members of the Insurance Accountants Association of San Francisco. This was expressed at the last meeting of the organization. E. G. Burt, chief accountant of the Phoenix Assurance, chairman of the educational committee, reported progress with the plan of that committee to have the filing of the cards of the National Board's impairment file record done by a central bureau connected with the board office. It was shown that such a plan would result in considerable saving to the companies as well as to the National Board office and that any saving to the latter would be reflected in the assessments levied against the companies.

### Complete Balfour-Kessler Deal

SAN FRANCISCO, Oct. 3.—The dissolution of the Balfour-Kessler General Agencies to the former status of the old Balfour, Guthrie & Co. insurance department and the general agency of Jensen & Kessler has been completed. Both firms will retain the companies formerly represented except that Balfour, Guthrie & Co. will have the Standard of New York and the Tokio Marine & Fire, acquired by the joint organization the past few years. C. V. Jensen and D. E. Kessler will continue as the active heads of the Jensen & Kessler organization, the principal companies of which are the Employers Liability and affiliates.

### Would Stabilize Wool Rate

**Mountain Field Club Requests Supervisory Committee in Session at Denver to Act**

DENVER, Oct. 3.—The Mountain Field Club will ask the supervisory committee of the Rocky Mountain Fire Underwriters at its meeting this week to stabilize the rate on wool insurance, it was decided at the special meeting of the group held here Monday. This was the only question of any importance discussed at the meeting. The 90 day limit credit rule, suspended last year by the supervisory committee, was not even brought up at the field club meeting, so there is virtually no chance of its coming before the supervisory committee.

The club proposes that the supervisory committee stabilize the wool insurance rate at the figure published by the Mountain States Inspection Bureau. Members reported that under the present condition, there is no standard rate, companies charging whatever they feel they can get.

Frederic Williams, secretary of the Rocky Mountain Fire Underwriters, and Walter Kulp, manager of the Mountain States Inspection Bureau, met at Colorado Springs this week with the executive committee of the Colorado Association of Insurance Agents and discussed various matters which may be brought before the supervisory and managing committees but definite requests will be put in written form and are not expected to be ready until just before the meeting. The agents will also have a committee at the meeting.

### Joseph Connelly's Connection

In a recent article reporting the election of officers of Insurance Post 404 of the American Legion of San Francisco, Joseph Connelly, who was elected to the executive committee, was identified as being with the General American. Mr. Connelly is connected with the General of Seattle.

### Acton With General Agency

George Acton, former San Francisco manager for the Norwich Union and more recently associated with the general agency firm of Edward Brown & Sons, has been appointed metropolitan special agent for the reorganized general agency of Balfour, Guthrie & Co., San Francisco.

### Prominent Durango Agent Dies

E. C. Perkins of Rockwood & Perkins, prominent local agents at Durango, Colo., died there. The agency was one of the most prominent in southern Colorado. Mr. Perkins died suddenly, having been ill less than a week. His partner, Mr. Rockwood, died about four years ago.

### Pacific Coast Notes

**F. I. Weddle**, 50, well known on the Pacific Coast as an independent adjuster, died at his home in Los Angeles following a long illness.

**F. R. Bigelow**, president of the St. Paul group, who was in San Francisco several days last week, left for St. Paul via Los Angeles. Mr. Bigelow's visit was in connection with proposed changes in the offices of Goodwin & Allan, representatives of his companies.

**Chas. Pausner** has joined Van Norman & Morrison, Los Angeles agency, as vice-president. He was at one time with the New York firm of Vander Poel, Pausner & Co. and is well known.

**E. H. Miller**, president of the Utah State Association of Insurance Agents and manager of the insurance department of the Tracy Loan & Trust Company, has been chosen chairman of the

insurance committee of the Salt Lake chamber of commerce.

District C of the **Pacific Board** will hold its semi-annual golf tournament Oct. 12 near Los Angeles. All board company special agents, local agents and brokers are invited.

**J. R. Shea** and **P. J. Shea**, former members of the J. F. Shea & Sons Agency, Indian Orchard, Mass., have opened the **Shea Brothers Agency** in the State building, Springfield, Mass.

**C. D. Harris, Jr.**, of the C. D. Harris & Son agency, Louisville, will be married Oct. 6, to Miss Nell T. Arnold. Mr. Harris was formerly an engineer with the Kentucky Actuarial Bureau.

## Motor Insurance Events

### Car Output Is Much Greater

**Lower Price and Great Proportion of Financing, However, Affect Agents' Commissions**

NEW YORK, Oct. 3.—Automobile manufacturers report the output of cars for the first eight months of the year was about 50 percent greater than for

the same period of 1933 which in turn was 40 percent ahead of the period in 1932. It is notable, manufacturers point out, that sale of cars throughout agricultural districts since the first of 1934 has gained markedly, attesting that under better economic conditions farmers are replacing obsolete automobiles with new models.

Unfortunately, companies writing fire and theft will not profit by virtue of the increased sale of cars, for a time at least, it being estimated that from 56 to 60 percent of the new machines are purchased on the time payment plan, which means that insurance thereon is placed through finance companies, and the direct coverage in the great majority of cases will not go to local agency channels until final installments have been paid.

### Premium Income Limited

The volume of automobile premiums of fire companies will be further unfortunately influenced by the low cost of cars this year. The average cost, it is said of fully 84 percent being but \$500.

Prior to the depression, the average life of an automobile was four years. With lessened incomes since 1929, the average motorist has been compelled to maintain his car in service for a far longer period. This is a further factor

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### Interesting Case Is Decided by Georgia Court of Appeals

The Georgia court of appeals settled an entirely new point of law by ruling that the owner of an equity in an automobile can maintain a suit against an insurance company for his interest in a car, without making the seller or the mortgage holder a party to the action.

The court stated that no decision on this point had ever been made in Georgia, but that the New York appellate court had ruled that several parties who are protected by an insurance policy, "as their interest may appear" can maintain separate and individual actions.

In another case, decided on the same day the court of appeals ruled that service cannot be perfected on an insurance agent in another county, when the company has an authorized agent in the county where the action arises.

### Auto Strippers Apprehended

DENVER, Oct. 3.—A decided reduction in theft and stripping losses on automobiles has followed the apprehension of a ring of thieves who have confessed to more than 30 thefts, according to the Automobile Protective & Information Bureau. Denver has had trouble in recent months with stripping losses. There were seven young men in the present ring and authorities believe they have struck at the heart of the problem with their apprehension.

### Big Hotel Goes to Mutuals

PROVIDENCE, R. I., Oct. 3.—The entire building line on the Providence-Biltmore, the largest and finest hotel in this city, and one of the outstanding properties of its kind in New England, has been placed with the factory mutuals, at a rate reputed to be 11 cents. The contents line went to the Union Mutual. Previously the hotel risk, both as to building and contents was carried by stock offices.

### Hartford Institute Resumes

The Insurance Institute of Hartford starts its fall courses with more than 200 registered, although it is expected the total will reach close to 500, one-half of which will be in the fire courses, 125 in casualty and the remainder in surety and inland marine. At the meeting James V. Barry, president of the Insurance Institute of America, Commissioner H. P. Dunham of Connecticut, George E. Turner, president of the First Reinsurance, Frederick Richardson, United States manager of the General Accident and L. N. Denniston were the speakers. The institute has been dormant since 1929.

### HOLC Insurance Man Gives Talk Before Mutual Agents

(CONTINUED FROM PAGE 3)

insurance division of the HOLC.

One of the main problems confronting the corporation, he declared, is the payment of premiums on insurance when the home owner has been found to be unable to pay the renewal coverage. At the present time, he said, the corporation is making payments on 30 percent of the accounts.

Mr. Lintner also announced that his organization is contemplating the opening of 12 regional offices throughout the country, the largest to be in Ohio where the corporation has made loans amounting to \$150,000,000.

Errors in the policies of home owners are causing the corporation a great deal of difficulty, he complained, declaring that approximately 20 percent of the

policies have had to be returned because of mistakes in names and addresses.

New appraisals of properties of clients as a means not only of increasing business but also of creating good will, was recommended to the agents by Paul L. Whittington of Washington. Although values have been lowered to some extent as a result of the depression, he expressed the belief that the decline has not been as great as is generally believed and urged agents not to hesitate to recommend appraisals of the properties of their clients.

The effect of lower prices, he pointed out, is minor in comparison with the billions of dollars of properties which have never been accurately appraised. "Property owners should not be allowed to forget that fires do occur," he said, "and it is of equal value to the insurance companies that the correct value of the insured property is known."

Election of officers resulted in the elevation to the presidency of the association of E. V. Thompson of St. Louis. Other officers elected were James S. Minor of Charlottesville, Va., vice-president; Fred E. Reuning, Bristol, Va., vice-president; E. I. Oakes, Washington, secretary, and Julian T. Burke, Alexandria, Va., treasurer.

### Credit for Telephones in Farm Premises Sought

(CONTINUED FROM PAGE 3)

that in Columbus, Ga., the percentage of loss from fires reported by telephone alarms in 1931 was 1.6 percent, and in 1932, 1 percent. The percentage of loss from fires reported by fire alarm boxes in 1931 was 3.9 percent, and in 1932, 3 percent, indicating that prompt response is obtained by telephone.

In Macon, Ga., the percentage of losses from fires reported by telephone alarm in 1931 was 5 percent and in 1932, 7 percent. The percentage of losses from fires reported by fire alarm boxes was 8.9 percent in 1931, and 15.7 percent in 1932.

One objection which has been raised to giving farm properties credit for telephone fire protection is that if credit were given, it would also have to be given to city properties equipped with telephones. That is not the case Mr. Jones states, as is shown by the credit for lightning rods, which is given to farm properties, but is not given to city properties. A charge is made for tenant occupancies in farm rates, and no such charge is made in city rates. Many charges and credits are given to city properties which are not given to farm properties.

There is a common impression that the telephone companies object to handling fire alarms, Mr. Jones asserts. On the contrary, most telephone companies have accepted the responsibility and contribute much to fire prevention and loss reduction by including in their directories instructions to both employees and subscribers for the handling of fire alarms.

### New Officers Elected

At the annual meeting of the Trumbull County Board, Warren, O., the following officers were elected: J. B. Wolam, Cortland, president; W. A. Portus, Warren, vice-president; L. H. Geisinger, Warren, secretary-treasurer.

Members of the executive committee are: D. A. Page, J. E. Greenwood, both of Warren; Isaac Griffith, Girard; J. H. Rosensteel, Niles; J. B. Scott, Newton Falls.

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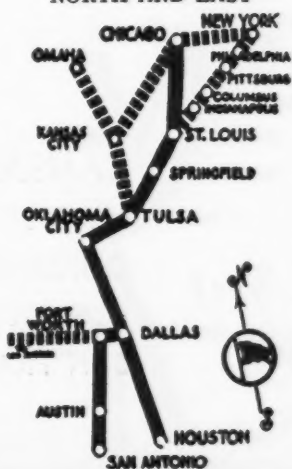
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# The National Underwriter

October 4, 1934

CASUALTY AND SURETY SECTION

Page Twenty-seven

## Federal Control Is New Bugaboo

Company Officials Reported Not  
Disposed Toward Bennett's  
Suggestion

### CITE RAILWAYS' PLIGHT

Granting of Power Over Insurance to  
Government Is Seen as  
Fatal Mistake

NEW YORK, Oct. 3.—Federal supervision of insurance interests, advocated by Secretary W. H. Bennett of the National Association of Insurance Agents at the annual convention of the organization at Grand Rapids, finds no supporters among company officials here. On the contrary, executives feel that the granting of any power over insurance interests to the national government, beyond that it now possesses, would be a fatal mistake, and perhaps might prove the forerunner of the government's direct entry into the business.

If federal supervision were to replace the present system of state regulation, something might be said in its favor, but the prospect of the state governments surrendering any part of their power in such direction is so remote as to be beyond consideration.

#### Old Question Is Revived

From time to time in past years the question of federal versus state supervision of the fire business has been discussed from an academic standpoint, the famous decision of the United States Supreme Court in the case of Paul vs. Virginia, delivered nearly 75 years ago, being considered the final answer to any such extension of governmental power.

Opinion differs as to whether the effect of that decision could in effect be overcome through enactment of a special statute by congress, but regardless of the merits of such proposition, company officials stand solidly in opposition to federal control of insurance activities.

Were such power to become an actuality, officials believe that instead of reducing the number of regulations to which the business is now subjected, it would simply add to them, for it is inconceivable, they say, that the 48 states, now exercising authority within their domains, would surrender one iota of their power to any other body.

#### Plight of Railways Recalled

The plight in which the railways found themselves as a result of governmental operation during the war period is recalled, the condition of many carriers as a result of that experience being such as to require most careful nursing to save them from receiverships. Awake to the menace of excessive governmental interference, the railway interests re-

(CONTINUED ON PAGE 35)

## Need Public Relations Job

William Leslie Says Failure to Put Across Real Story of  
Casualty Insurance Is Root of Many Evils in  
Business Today

Casualty companies as a group have fallen down miserably in their public relations work, and casualty insurance is the most misunderstood and most brow-beaten line of insurance written, William Leslie, associate general manager, National Bureau of Casualty & Surety Underwriters stated in his address before the Insurance Advertising Conference.

Mr. Leslie declared in his talk on "Public Relations in the Casualty Insurance Field:" "We have failed to put across the real story of casualty insurance; we have failed to bring home to those who have a common interest in our problems the real nature of our troubles and the character of the help they can give us; we have depended too much upon our agents for all public contact work and have limited our efforts too largely to the attraction and holding of desirable agency accounts without proper education of the agents in the problems of our business."

#### Real Cooperation Recent Growth

Past difficulties in compensation insurance are partly attributable to this failure, Mr. Leslie inferred. For more than a decade, the utterances of company executives and bureau officials on the subject have been taken by agents "with a grain of salt," and only during the past year has real cooperation been developed, he said. He referred to the relationship between the stock casualty companies and the National Association of Insurance Agents, the National Association of Casualty & Surety Agents and the brokers organizations in developing a compensation rate program for submission to the National Convention of Insurance Commissioners.

"Yet even today with the compensation business at the very crossroads; with some companies curtailing their writings to a minimum, and all companies pursuing a very strict underwriting policy, there is still some reservation as to the relative burdens borne by the companies and the agents in the writing of workmen's compensation insurance, and there is still some difference of view as to the treatment of commissions in states where it is impossible to secure the approval of rates that are sufficient to take care of increases required for losses and loss expenses and at the same time allow full commissions."

#### Companies Take Huge Losses

After quoting the resolution adopted recently in Grand Rapids by the special compensation committee of the National association Mr. Leslie said, "Despite the friendly attitude of this committee and its sincere desire to be helpful, it has been unable to concede that the companies are or have been worse off than the agents."

Mr. Leslie went on to point out that for more than 10 years the companies have been making up underwriting losses on compensation insurance out of surplus. The aggregate stock company

loss since 1922 is over \$156,000,000 and represents more than 12 percent of the premium, he said. Of this loss, \$114,000,000 has been due to insufficiency in the loss portion of the rate and has come about partly from inability to secure approval of rates that have been sought from supervising authorities; partly from the failure to include in the rate making formula an adequate allowance for the rising trend of loss costs; and partly, during the last few years, from the effects of the depression.

#### Have Paid Full Commissions

The balance of the underwriting loss, \$42,000,000 or 3.2 percent of the premiums, has come about because the loading for expense has been insufficient, he said. Despite the fact that the actual expense ratio has averaged 43.2 percent, the loading for it has been held to 40 percent.

"During all this time the companies have paid full commissions. With this background it can readily be appreciated why the companies have taken the firm position that if they fail to secure from any state authority the approval of required rate increases, they cannot continue to write compensation insurance in that state unless commissions are reduced sufficiently to overcome the deficiency in the rates for losses and loss expenses. The companies, in cooperation with their agents, will strive earnestly to secure approval of the filed rates. They sincerely hope they may be successful. But if they fail, it is far less unsound and improper to reduce commissions to agents than it is to continue the past practice of making up the entire deficiency from surplus."

#### Progress Has Been Made

"It is perhaps asking too much to expect a complete harmony of views on the very touchy and delicate subject of commissions, and there is cause for profound gratification in the progress that has been made in the direction of bringing agents and companies together to work jointly for the improvement of conditions."

Education of agents in the problems of automobile liability insurance will also help to improve conditions, "The National Bureau, through its conservation department, is doing a lot in this direction, and much of the effort has already borne fruit. Safety campaigns, traffic surveys and claim investigations are all matters of community interest and with proper help and encouragement the agents can accomplish wonders in enlightening the public and getting such programs under way."

#### Agent Must Justify Expense

The National Bureau is frequently besieged, Mr. Leslie said, by agents to reduce rates in this or that community despite the contrary showing of the experience, because the agents fear they cannot hold their business in competition with mutual companies. "They do

## Committee Studies Residence Cover

Analyze Responses of Agents to  
Inquiry Regarding Burglary  
Insurance

### SOME ASK LOWER RATES

Others Believe Sale of Form Would Be  
Stimulated by Broadening  
Coverage

NEW YORK, Oct. 3.—Having heard from the majority of large city agents throughout the country, of whom inquiry was made as to their views as to the best means for stimulating the sale of residence burglary and theft policies, members of the burglary division governing committee of the National Bureau of Casualty & Surety Underwriters will consider the general problem at a gathering soon to be held.

Many agents feel that residence business could best be increased by a reduction of rates. Pacific Coast men particularly hold this view, maintaining that the low cost policies offered by a number of non-affiliated companies in that territory are giving them difficult competition.

#### Ask for Broader Coverage

On the other hand, a number of important agents who rather specialize in the sale of burglary contracts, ask for extension of the coverage, declaring that if this were done the assured would be willing to pay a slightly higher premium than that called for under the restricted policies issued by certain non-association companies.

The agency force of the country as a whole opposes rate changes. Revisions are felt to be disturbing to local representatives and their clients; inducing the latter to hesitate about renewing the indemnity, and placing an added burden upon the agents.

#### Hold-up Insurance Is Selling

From general reports, the sale of residence business has fallen steadily during the past three years. Property-owners have been compelled through reduced incomes to husband their resources to the last degree, and they seem to feel that robbery insurance on the home is one form that might be curtailed. On the other hand there has been a noticeable gain in the volume of hold-up coverage, the demand having been stimulated by the wide publicity given daring and successful robberies that have taken place in different communities within the past few months.

not seem to appreciate that the real and fundamental reason for any difference in net cost between stock and mutual companies is the agency relationship—partly

(CONTINUED ON PAGE 35)

## New York's New Automobile P. L. and P. D. Rates Lower

BECAME EFFECTIVE OCT. 1

Scale Affecting Private Passenger and  
Commercial Cars Approved  
by Department

NEW YORK, Oct. 3.—A saving of over \$2,000,000 a year in public liability and property damage insurance premiums will be effected by motorists of this state, in the opinion of Superintendent Van Schaick, as a result of revised rates approved by the department and made effective Oct. 1.

The revised tariffs, which must be observed by all types of carriers, whether stock or non-stock, were based on experience data furnished the department by the National Bureau of Casualty & Surety Underwriters and by the Mutual Casualty Insurance Rating Bureau, for their members. The present is the first statewide revision of automobile casualty rates since March, 1932, and is predicated upon the experience for a series of policy years.

### Rate Scale Much Lower

Based upon the standard \$5,000/\$10,000 limits for personal injury and \$5,000 for property damage, the new combined rates for private passenger and commercial cars generally are much lower than the old scale.

For instance the old scale for private passenger cars in Albany was \$82, \$82 and \$103 for symbols W, X and Y (these, of course, designating low, medium and high priced cars, respectively), whereas the new scale is \$67, \$67 and \$76. In Buffalo the old rates were \$63, \$63 and \$78, and new rates are \$58, \$58 and \$65. Old New York City rates were \$129 for the three classes; the new rates are \$119, \$119 and \$123. Rochester's old rates were \$57, \$57, \$69; new, \$51, \$51, \$59; Syracuse—old, \$74, \$74, \$91; new, \$65, \$65, \$72.

### Some Commercial Car Rates

Old and new rates, respectively for the H (heavy), M (medium) and L (light) types of commercial cars are: Albany—old, \$231, \$176, \$107; new, \$201, \$153, \$95; Buffalo—old, \$186, \$142, \$87; new, \$171, \$131, \$81; New York City—old \$407, \$343, \$214; new, \$371, \$314, \$198; Rochester—\$181, \$139, \$85; new, \$153, \$117, \$72; Syracuse—old, \$218, \$167, \$102; new, \$201, \$153, \$95.

Commenting upon the new rates, the National Bureau points out that, taking the state as a whole, the average reduction in charge for property damage is 16 percent as to private passenger cars, and 17 percent as to commercial machines.

### National Bureau's Statement

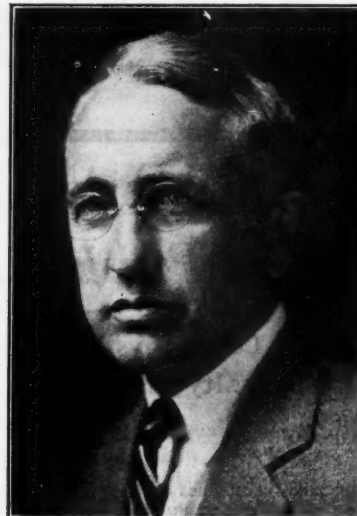
After stressing that in the final analysis it is the motorists who make the rates, the bureau concludes with the warning, "If a community drives heedlessly, carelessly, recklessly; if it is willing to have a high accident ratio; if it is satisfied to have claimants exaggerate every trivial accident; if it is willing to have its juries make excessive awards; if it takes no steps to stamp out the making of fraudulent claims, it must expect to see those conditions reflected in high rates. On the other hand, if a community drives more carefully, if it deals fairly with the companies with respect to claims, if its juries render impartial verdicts, if it aids the authorities to eradicate fraudulent claim practices, the cost of insurance will go down."

An interesting feature in connection with the new figures is that they were those submitted by stock and non-stock companies through their filing agencies, and were approved without change by the department. Some months ago the department suggested a change in the

## Two Commissioners to Speak



GEORGE S. VAN SCHAICK  
New York



GARFIELD W. BROWN  
Minnesota

Two prominent state insurance commissioners are scheduled to speak before the casualty convention on its cruise to Bermuda next week. Insurance Superintendent Van Schaick of New York will give an address on Thursday afternoon of next week, when James R. Millikan, president of the Na-

tional Association of Casualty & Surety Agents is presiding. Commissioner G. W. Brown of Minnesota, president of the Insurance Commissioners Convention, will speak at the first session when J. A. Nelson, president International Association of Casualty & Surety Underwriters will preside.

## Program for California Meet

State Convention of National Accident  
& Health Association to Be Held  
in San Francisco

SAN FRANCISCO, Oct. 3.—Sales organization, underwriting and review of exposure of racket rings in health and accident, will feature the annual California state convention here of the National Accident & Health Association. The racket consists of activities of several rings in California last year which were exposed and prosecuted by Earl Warren, district attorney of Alameda county, Calif. Mr. Warren will tell the story of how he put these racketeers in the state penitentiary and stopped their activities in swindling California people through means of phoney health associations and accident benefit concerns.

Other speakers are: E. H. ("Count") Mueller, past president National association, general agent Pacific Mutual at Milwaukee, on "Development of Agents;" Dwight Mead, first vice-president National Association, General agent Pacific Mutual at Seattle, on "Opportunities of the Business;" W. E. Lebbby, past president state association and Los Angeles association, former first vice-president National Association and present educational chairman of the National association, state manager Massachusetts Indemnity, on "Activities of the National Association." Mr. Lebbby also will address the convention on "Salesmanship." B. R. Jones, manager accident and health department Maryland Casualty, will discuss "What the Local Club Can Do for Its Members." George Johnson, assistant manager United States Fidelity & Guaranty, president state association, is to open the sessions.

Arrangements for the affair, which closes with a banquet are in charge of Mr. Jones and Fred W. Timby, manager Preferred Accident and secretary state association. Indications are for a record attendance.

rating formula, and this was promptly adopted by the carriers.

The question having arisen as to  
(CONTINUED ON LAST PAGE)

## National Surety Is Making Some Changes in Its Staff

NUMBER OF MEN PROMOTED

Executive, Underwriting and Legal  
Staffs Strengthened by Officials  
of Ripened Experience

NEW YORK, Oct. 3.—Important changes in the headquarters staff of the National Surety recently determined upon and now effective, include appointment of J. F. O'Hea as vice-president; H. M. Nichols, general counsel; Alexander Foster, Jr., general attorney; S. P. Hutchinson, attorney in charge of fidelity claims, and C. C. Roth, attorney in charge of surety claims.

Promotions in the various underwriting departments include those of Vice-president A. M. Clark to be chief underwriter; C. A. Keppler as manager and A. J. Reid, assistant manager of the contract department; Assistant Secretary F. C. Carstens as manager of the forgery-fraud bond division and L. E. Mackall as head of the coverage department, a division established to investigate the possibilities of proposed new forms of indemnity, whether suggested within or outside the National Surety.

Vice-president H. B. Johnson, hitherto head of the forgery-fraud department, hereafter will assist Production Manager E. A. St. John in developing business. Being relieved of underwriting details previously under his care, Vice-president Howard Abrahams will devote his time from now on to considering underwriting policies of the National Surety as a whole, while the services of Senior Counsel M. O. Garner will be utilized in connection with intricate cases and in conferring with President Vincent Cullen on special matters.

The changes were determined upon after a thorough study of present and future needs. All of the appointees have had ripened experience in their respective lines, and have demonstrated their ability to assume greater responsibility.

Mr. O'Hea joined the staff of the National Surety in 1928 as manager of its greater New York department, having previously been associated with the Fidelity & Deposit. In May, 1933, he was made assistant to President Cullen in charge of administration.

### McCagg Production Manager

F. J. O'Neill, president, announces the appointment of George W. McCagg as production manager of the Eagle Indemnity to succeed W. H. Wunner, who goes to the Bankers Indemnity. He has been assistant production manager for the past three years, and has been continuously associated with the Royal Indemnity and Eagle Indemnity in various capacities since 1927.

Mr. McCagg's first association with the Eagle Indemnity was as general agent in San Diego, Cal., in 1927. In 1929 he left San Diego to accept an appointment as special agent at the Los Angeles branch and the following year was transferred to Atlanta, where as special representative he was active in sales promotional work for both the Royal Indemnity and Eagle Indemnity. He was later called to the New York office of the Eagle Indemnity as assistant production manager.

### Los Angeles Appointments

C. W. McKnight has been appointed superintendent of the Massachusetts Bonding casualty department in Los Angeles. He was formerly with the New Amsterdam Casualty, and before that was Los Angeles manager of the Century Indemnity.

T. C. Delaney has been promoted to assistant casualty manager of the Travelers in Los Angeles. He has been with the company 14 years.

## Buyers Council Asks Change

Texas Organization Appeals to Insurance  
Board for Separate Group Rate  
Levels on Compensation

The Insurance Buyers Council of Texas, recently organized, has filed a petition with the Texas board of insurance commissioners to invoke certain rules in connection with promulgation and adjustment of workmen's compensation insurance rates in Texas. The council asks for establishment of separate rate levels for each of ten to 20 industrial groups, the levels to follow experience of the respective groups exclusively where spread is sufficient actuarially to carry full credibility, and to be based upon a combination of Texas and national experience in such groups as do not have such spread.

It is further petitioned that in fixing the levels a publicly disclosed formula or method be employed which will produce an equitable relativity of cost as between one group and another on the basis of actual loss experience and the application of which can be understood and checked by insurance companies and employers, to the end that no industry be denied reasonable facilities for obtaining the insurance without duress in the matters of selection of carrier or cost of their other insurance lines.

### Would Form Joint Committee

In setting up the groups it is asked that grouping be tentatively worked out by a joint committee composed of representatives of insurance carriers, the council and casualty insurance department, and that hearing be held before final groupings are published.

Elimination of the schedule rating plan, and substitution thereof of classification inspections by inspectors from the casualty insurance department, is asked. The council also urges removal of the average-value from all alleged death and permanent total-disability cases where an appeal is taken by either the carrier or claimant from award of the state industrial accident board and where settlement of such cases is effected through a compromise and agreed judgment.



## Two Commissioners Will Talk to Casualty People

### COMPLETE PLANS FOR CRUISE

Van Schaick of New York and Brown of Minnesota Will Go on Bermuda Trip

NEW YORK, Oct. 3.—All plans have been completed for the big casualty cruise on the "Queen of Bermuda" to Bermuda during which the annual meetings of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents will be held. The cruise will start next Wednesday and will return the Monday morning following. There will be a joint secretarial office in the ship's library and registration will start Wednesday afternoon.

#### Hold Business Meetings on Board

The first meeting will be held on the boat Thursday morning presided over by J. Arthur Nelson, president of the company organization, he being president of the New Amsterdam Casualty. Major General J. G. Harbord, chairman of the board of the Radio Corporation of America, will give an address as will G. W. Brown, insurance commissioner of Minnesota and president of the National Convention of Insurance Commissioners, and Attorney M. B. Ignatius of the law firm of Campbell, Ignatius, Lown & Blinken of New York City.

The next session will be Thursday afternoon presided over by James R. Millikan of Cincinnati, president of the agency association. There are two addresses scheduled for that session, Col. H. B. Chamberlin of Chicago, managing director of the Chicago crime commission, and Insurance Superintendent Van Schaick of New York.

#### Separate Meetings to Be Held

On Thursday evening there will be a meeting of the National Association of Casualty & Surety Agents for the members alone. On Saturday afternoon there will be a business meeting of the International Association of Casualty &

## Consider Possibilities of Pro-rating Reimbursement

### MAY ASK COMMISSIONERS

Experience on Special Accident Coverage Not Sufficient to Base Definite Conclusions

HARTFORD, Oct. 3.—Personal accident writing companies will probably shortly submit to insurance departments the question as to whether or not two or more offices associated on the same risk may prorate claims under the medical reimbursement feature of their policies. The same issue was raised a year or more ago, but without decisive result. Company officials are hopeful for a favorable reaction by the state commissioners under a resubmission of the question.

While all companies granting the reimbursement cover are agreed that it reduces sales resistance and is valuable on that score, experience with the present form and at existing rates has not been sufficient upon which to base definite conclusions. At a conference of the underwriting committee of the Bureau of Personal Accident & Health Underwriters in New York City considerable discussion centered about the reimbursement feature. General sentiment seemed to be to the effect that rates now charged are adequate, although whether this will eventually prove to be true remains to be seen. Thus far claims have not been excessive. A careful tabulation of the experience with the coverage is being made and in due course a sufficient record will be obtained on which to predicate final conclusions.

As all companies granting reimbursement insurance use the standard form, it is desirable that some measure of

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Surety Underwriters at which reports of committees and other business will be transacted. The agency association will also hold a meeting Saturday afternoon.

A golf tournament will be held Friday and Saturday on the Belmont Manor course, the conventioners being housed

## Much Interest on Coast in Ultimate Loss Contract

SAN FRANCISCO, Oct. 3.—Considerable interest is manifest in San Francisco over the so-called ultimate net loss motor vehicle liability policy being issued by W. B. Brandt & Co., representatives of Lloyds of London. The certificate provides that the underwriters shall make good any judgments obtained by the assured up to \$50,000, as a result of injuries sustained in a motor vehicle accident, where the defendant is unable to pay the judgment awarded. In the event the defendant has a limited liability protection, the underwriters will pay the assured, or injured party, the difference between that collected from the defendant's insurer and the amount awarded.

The policy has been available for the past two months through W. B. Brandt & Co., in any Pacific Coast territory. To date there have been approximately 2,000 issued. There are restrictions upon its issuance, the principal theory being that it is excess insurance for other types of coverage and is apparently to be written as additional coverage. However, it is being written sparingly for certain classes of individuals without the other insurance.

Rates are \$5.38 throughout the territory for individual coverage and \$10.48 to cover the assured, his wife and "all issue thereof" residing in the same house, there being no differential in rates for city or rural districts.

Reports that the issuance of the policy is to be discontinued are refuted with the statement that such reports are probably founded upon the fact that it is not being issued promiscuously or generally.

It is understood that this type of coverage has been issued for sometime in Europe with favorable underwriting results.

at that hostelry while they are in Bermuda.

Owing to the unusual nature of this year's meeting, a new committee has been appointed, it being the shuffleboard contest committee, presided over by C. S. Weech, head of the agency department of the New Amsterdam Casualty. He has been horseshoe chairman.

## Illinois Is Ninth State to Invoke Retaliatory Laws

### NEW YORK CARRIERS SUFFER

Additional Commonwealths Expected to Take Action to Meet Empire State Demand for Deposit

NEW YORK, Oct. 3.—Illinois is the ninth state that, acting under the retaliatory law, has demanded that New York casualty companies make special deposit or furnish a surety bond guaranteeing the payment of workmen's compensation claims within the commonwealth. Other states which have taken this action are: Colorado, Connecticut, Indiana, Maryland, Michigan, Missouri, New Jersey and Pennsylvania. In addition North Carolina, California and Oklahoma insist upon a special deposit with which to meet claims for other divisions of underwriting as well as the compensation line.

The New York law, which has been provocative of so much trouble for compensation carriers, was enacted in 1929 as a result of collapse of a New Jersey casualty company leaving unpaid compensation claims in the Empire State of approximately \$300,000. The desire of other states that their assured also be safeguarded against claim defaults induced the passage of similar requirements in a number of cases, with the strong likelihood that additional states will make similar demands.

#### Deposits Involved Are Large

The minimum deposit required in many of the states is \$25,000, while several insist that not less than \$100,000 be furnished, either in approved securities or the bond of a thoroughly responsible surety company.

Casualty companies operating broadly under existing statutes would be forced to put up not less than \$500,000 special funds, a requirement that obviously could be met only by offices of first rank, smaller institutions being forced to restrict operations to limited fields. While the alternative to supplying cash is the furnishing of a surety bond, it is a question if adequate indemnity of such character could be secured if the call for deposits should be extended to any considerable number of states.

#### Generally Opposed to Idea

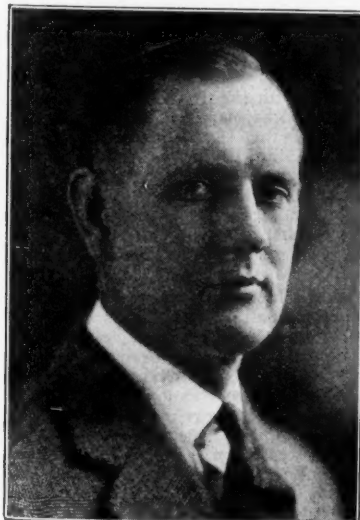
Surety companies are not disposed to assume beyond a certain limit the guaranty of compensation claim payments, a division of insurance that has cost casualty companies an underwriting loss of millions of dollars in the last decade.

While companies making special deposits with the different states are of course, entitled to include these funds among their assets, great difficulty is experienced when attempts are made to withdraw such funds. Claims under compensation policies frequently hold for 20 years where injury is sustained by minors, and until these cases are settled departments refuse to release any considerable percentage of funds in their possession.

#### Fleet Ruling Circumvented

Although the Illinois insurance department has now prohibited employee-owned cars from being included in automobile fleets, it seems that the situation in Illinois has not been entirely cleared up. Some of the non-conference companies are reported to be writing individual policies on employee-owned cars, which were formerly treated as fleet risk, but the employee is granted the same rate as he was when his policy was handled as a fleet risk. In some cases the discount amounts to as much as 40 or 50 percent. In the absence of an anti-discrimination law in Illinois, most observers feel that the insurance department is powerless to prevent the issuance of these individual policies at a rate far below that charged other buyers of insurance in the state.

## CASUALTY COMMITTEE CHAIRMEN



GEORGE E. TURNER  
Hartford



C. B. MORCOM  
Hartford



JOHN G. YOST  
Baltimore

At the meeting of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents next week on their cruise to Bermuda, George E. Turner, president of the First Reinsurance of Hartford, will act as chairman

of the entertainment committee, a very important committee especially on this particular occasion. John G. Yost of Baltimore, assistant secretary of the Fidelity & Deposit, is chairman of the golf committee, the playing to take place Friday and Saturday of next week on

the Belmont Manor course in Bermuda. C. B. Morcom, vice-president of the Aetna Casualty & Surety, is chairman of the reception committee. These three men therefore fill important posts, since entertainment, good fellowship and recreation are the primary considerations.

## NEWS OF THE COMPANIES

### Additional Loan Is Granted

#### R. F. C. Makes Available \$750,000 for the Purchase of Preferred Stock in Standard Accident

Announcement is made this week that the Reconstruction Finance Corporation has authorized a loan of \$750,000 for the purchase of additional preferred stock in the Standard Accident. This increases to \$4,125,000 the total funds which have been advanced to the Standard Accident by the R.F.C.

At the end of 1933, 75,000 shares of preferred stock were sold to certain officers, directors and stockholders, the common stockholders having waived their rights to subscribe. The stock, which had a par value of \$10, was sold at \$45 per share, thus creating additional capital of \$750,000 and paid in surplus of \$2,625,000.

The sum of \$436,560 was held in escrow by the R.F.C., to which the stock had been assigned.

Of that deposit in escrow, \$90,000 was

released to the Standard Accident when the subscribers to the stock acquired clear title to a parcel of property, which was part of an estate in probate, so that this property might be pledged by the subscribers as collateral. The balance or \$346,560 was released upon the procurement by the company of capital and/or capital surplus in the amount of not less than \$173,280 by the sale of common stock.

In a convention examination of the Standard Accident as of Dec. 31, 1933, the examiners found that admitted assets amounted to \$17,444,147, net surplus \$913,495 and capital \$1,356,680.

### Hoosier Casualty's Showing

#### Semiannual Statement Brings Out the Sound Condition of the Company—Chief Features

The Hoosier Casualty of Indianapolis headed by President C. W. Ray, one of the best known accident and health men in the business, has issued its semi-

annual statement. He is immediate past president of the Health & Accident Underwriters Conference. The assets are \$740,010 of which \$511,456 are bonds listed at market value. The company has \$81,725 in cash. Its loss reserve is \$130,673 for liability and \$29,079 for other liability. Its premium reserve is \$221,990, capital \$150,000, net surplus \$177,502. It carries a contingent reserve of \$20,435. For each dollar the company owes it has \$1.88 with which to pay its obligations.

#### Department Examination

The Indiana insurance department made an examination of the company as of July 1 and reached three general conclusions.

1. The financial condition is sound after setting up all known liabilities and reserves which are believed to be adequate to liquidate its claim liability as of June 30, 1934.

2. The company is capably and efficiently managed.

3. Claims are settled promptly on an equitable basis, consistent with sound adjustment statutes.

The Hoosier Casualty writes sickness, accident and all automobile coverages. Alfred M. Best Company gives it an "A" rating. The Hoosier Casualty is one of the best western companies and

is highly regarded by all who come in contact with it. It is 27 years old.

### Smith Deputy Custodian

DETROIT, Oct. 3.—I. R. Smith, well known in casualty circles in Michigan, has been appointed deputy custodian and manager of the Central West Casualty and Wayne Surety, now in process of liquidation under direction of Commissioner Gauss. Mr. Smith resigned as associate manager Employers Liability here in July after having held that position since 1928. Prior to that he was a partner in Garrison & Smith, general agents of the Employers, which became the Employers branch. He has been in the casualty business here for 21 years.

R. W. Conroy, who acted as deputy custodian and manager of the two defunct companies from June, 1933, to Sept. 15, has resigned.

### Gibson Advertising Manager

David C. Gibson has been appointed director of advertising and publications of the Maryland Casualty. He has had extensive experience in advertising, in newspaper writing and editing, and in the printing business. He was senior member of the advertising firm of Gibson & Corner, and spent several years in newspaper work, having been city editor of the Baltimore "Sun" for four years before entering the advertising field.

## PERSONALS

The Lawton-Byrne-Bruner Insurance Agency Company of St. Louis celebrated its 20 years of affiliation with the Hartford Accident at a banquet. The agency itself was launched 20 years ago. The speakers were Herbert Jones, sales manager for the Central States Life; Mason Miller of the agency and William Elbrecht, who turned in 25 applications for the new "20th anniversary accident policy."

J. W. Gunn, vice-president and sales manager Employers Mutual Casualty of Des Moines, was in Chicago for several days visiting the general agents there. He reported the Employers Mutual so far this year shows a large increase in business and a satisfactory loss ratio.

Frank A. O'Donnell, widely known claim adjuster for the Detroit branch of the Travelers, died on Sept. 26, after an illness of four months. Born in Indianapolis 40 years ago, he had been associated with the Travelers for 17 years. He served as manager of the claims division of the Indianapolis branch and later of the Columbus, Ohio, branch and in 1926 was transferred to Detroit as head of the claims division there. E. F. McClarnon, assistant adjuster, has been in charge locally since Mr. O'Donnell's illness.

W. L. Mooney, vice-president of the Aetna Casualty & Surety, is now back at work spending a few hours a day at his office. He has been off the reservation since last May with a heart attack. He expects to get back on a full time basis in a short time. Mr. Mooney will take life a little more easily. He has always been a hard worker and has confined himself very closely to his special duties.

A contingent of five officials from the western department office of the Hartford Accident in Chicago will attend the annual convention of the Kansas Association of Insurance Agents at Wichita Oct. 10-12. In the party will be J. C. Hyde, manager, and F. C. McVicar, assistant manager western department; J. W. Reitze, agency superintendent; P. J. Girard, superintendent bur-

**Current trends in casualty underwriting emphasize the value of the direct and sympathetic relationship afforded agents by the**  
**BANKERS INDEMNITY INSURANCE COMPANY**



**BANKERS INDEMNITY  
INSURANCE COMPANY**

**Newark, New Jersey**

*One of the American Group*



glary department, and C. N. Dubach, superintendent personal accident department.

Cordial response has been made by the surety fraternity to the dinner to R. H. Towner in recognition of the 25th anniversary of the Towner Rating Bureau. Fully 175 company executives and insurance officials have signified their intention to be on hand at the affair at the Waldorf-Astoria Hotel in New York the evening of Oct. 8.

William Ford, New Jersey manager of the Continental Casualty, has been elected to the highest New Jersey office, district governor of the Kiwanians.

"Saving Seconds," the new highway safety film which has just been announced by the Aetna Casualty & Surety, was shown Monday before members of the Insurance Advertising Conference in annual convention in Rye, N. Y. Since the film is based on the well-accepted fact that speed is the greatest cause of automobile accidents, it ties in very closely with the efforts of the conference which has been working for more than two years to get automobile manufacturers to stress "safety" in their advertising instead of "speed," as is generally done.

Thomas Bean, production manager of the Eagle Indemnity, has returned to New York from a trip to the Pacific Coast, in time to sail on the big casualty cruise to Bermuda. He was in California about three weeks. On his way back to New York he stopped in Chicago for a time.

#### New South Dakota Mutual

The Union Mutual Benefit Health & Accident of Milbank, S. D., has been incorporated by H. J. Morrill, Charles Jacobs, H. E. Wendland, Thomas Miller and Robert Hunter of Milbank and P. C. Lien of Revillo, S. D.

## CASUALTY ASSOCIATION NEWS

### View Auto Rates, Plate Glass

#### Cleveland Association Discusses Abrupt Changes Under Territorial Liability Rating—Glass Replacements High

CLEVELAND, Oct. 3.—The Cleveland Casualty Association at its last meeting discussed basing automobile insurance rates on territorial divisions. In numerous instances there is a radical change in rates in a space of a few miles where a gradual rise or fall should be the rule. For instance, Cleveland gets a \$42 liability rate which also applies to East Cleveland and Euclid, two nearby suburbs. The next suburb to the east, Wickliffe, only a few miles farther on, falls into territory II and gets the same rate as Painesville, O., which is \$27. Other similar radical changes are present under the system of territories and ratings today. Opinion was expressed by the Cleveland association that territories should be re-located to correct the situation.

The plate glass situation was also reviewed. Home offices have been writing their agents and managers complaining of the high prices charged for plate glass in Cleveland. Many eastern cities with higher labor costs charge much less than Cleveland for plate glass. They also point out that factories have made a recent reduction. The companies feel that replacements in Cleveland are too high and, in addition, that they are not getting a fair deal on salvage credits. Some companies have even replaced crystal sheet glass instead of plate glass.

A committee of three was named to take up the matter with glass companies. One such concern has already agreed to cooperate with the casualty

men in trying to effect a satisfactory settlement of the matter.

#### Barnett Heads K. C. Juniors

KANSAS CITY, MO., Oct. 3.—With 22 attending the first fall meeting the Junior Underwriters Association elected Craig Barnett, underwriter for R. B. Jones & Sons, chairman for the year. Mike Downey, Aetna Casualty was named vice-chairman. The group meets every other week to discuss practical underwriting problems.

#### Honor Cowlin at Dinner

DETROIT, Oct. 3.—A. S. Cowlin, newly appointed manager of the Michigan Compensation Rating Bureau, was tendered a testimonial dinner by the Casualty Managers Association of Detroit. Almost the entire membership attended. President J. W. Callahan, Travelers, presided. J. S. Richardson, Standard Accident, was appointed secretary of the association replacing Mr. Cowlin.

The Casualty Managers Association also held a golf outing at the Detroit Golf Club, with golf and cards in the afternoon and a dinner in the evening.

#### McClain to Talk

INDIANAPOLIS, Oct. 3.—Commissioner Harry E. McClain will speak to the Indianapolis Casualty & Surety Club next Monday on the agency application blank and other present-day problems of the insurance business. Following the luncheon a golf tournament will be held, open to all insurance men.

#### Dallas Claim Men Organize

The Dallas Claims Association has been formed by stock and mutual casualty companies and self-insurers to co-

operate on safety work and to defeat fraudulent insurance claims. E. C. McDermott is president, John J. Davenport, first vice-president, R. H. Weaver, second vice-president and L. G. Vaught, secretary-treasurer. In addition to the officers, Frank Bradley and J. A. Jones are on the executive committee.

#### Investigate Evil Practices

LITTLE ROCK, ARK., Oct. 3.—The Arkansas Casualty Adjustment Association will take action to curb the award of judgments based on fraudulent testimony, it was decided at a meeting here. A committee was appointed to study statutes governing motor vehicles and a second committee to investigate purported fraudulent and unethical practices of attorneys in presentation of evidence.

#### Nominee for Governor to Speak

Clarence J. Brown, Republican nominee for governor, will be the speaker at the monthly meeting of the Ohio Association of Casualty & Surety Managers in Columbus Oct. 9.

#### Accept American Surety Bonds

NEWARK, Oct. 3.—A. L. Grover, secretary New Jersey highway commission, has notified H. N. Hutchinson, Newark manager of the American Surety, that the commission will accept its bonds in the future and as the result the American Surety has withdrawn its suit against the commission to compel the latter to accept the company's bonds.

#### Calculating Michigan Rates

NEW YORK, Oct. 3.—The Towner Rating Bureau is studying the data submitted by the Surety Association of Michigan relative to the various types of license bonds called for in Detroit and in a number of its suburban communities, with a view to naming a specific rate for each form of coverage.

# THE HOOSIER CASUALTY COMPANY

INDIANAPOLIS, INDIANA • C. W. RAY, President • A Stock Company 27 Years Old

### Financial Statement June 30, 1934

Assets	
Cash .....	\$ 81,724.96
Bonds, Market Value.....	511,455.69
Stocks, Market Value.....	8,600.00
Mortgage Loans .....	4,616.18
Interest Accrued .....	7,703.60
Premiums in Course of Collection (Net)	
Less than 90 Days.....	84,301.46
Reinsurance Recoverable .....	7,510.64
Real Estate .....	19,643.05
Other Assets .....	14,454.81
Total Assets .....	\$740,010.39
Liabilities	
Loss Reserve:	
Liability (Legal Reserve).....	\$130,672.59
Other than Liability.....	29,079.23
Unearned Premiums .....	221,990.22
Taxes, Reinsurance and Expenses.....	10,330.84
Contingent Reserve .....	20,435.13
Total Liabilities .....	\$412,508.01
Capital Stock .....	\$150,000.00
Surplus .....	177,502.38
Surplus to Policyholders.....	\$327,502.38
	\$740,010.39

### Hoosier's Growth

#### INCREASE OF ASSETS

1924—\$305,183.00
1925—\$315,761.00
1926—\$369,119.00
1927—\$367,117.00
1928—\$409,893.00
1929—\$480,072.00
1930—\$585,500.00
1931—\$588,166.00
1932—\$593,744.00
1933—\$677,940.00

JUNE 30, 1934

**\$ 740,010.00**

Any Company's financial strength is determined by its ability to pay its obligations. By comparison you will find The Hoosier ranks among the best of all insurance companies when you consider assets in proportion to liabilities.

FOR EACH \$1.00 THE COMPANY OWES, IT HAS \$1.88 WITH WHICH TO PAY

## Tennessee Agents Meet in Memphis

(CONTINUED FROM PAGE 8)

"I am a great believer in the theory that as the whole is made right all the lesser parts will receive their individual benefits," said J. M. Dean, Memphis, in his talk "The Importance of Organization." Mr. Dean is a former president of the state association.

The meeting, in addition to being the 40th annual convention of the Tennessee association, was the diamond anniversary of the Memphis Exchange.

### Members Are Welcomed

Rev. Robt. McCaslin gave the invocation. Mayor Watkins Overton of Memphis welcomed the members. A welcome was also extended by R. W. Wallace, president Memphis Exchange. President J. W. Oliphant responded on behalf of the members.

C. B. H. Loventhal gave his report as national councillor. L. M. Ross reported as secretary-treasurer.

Other addresses were given by J. S. Tobin, insurance commissioner, and E. M. Allen, vice-president National Surety.

Today discussion groups are scheduled for agents in towns under 50,000

population and for agents in towns of over 50,000 population. A. V. Patton, Jackson, is chairman of the former meeting, and Henry McMillan, Knoxville, is chairman of the latter group.

Addresses by L. E. Falls, vice-president American; J. C. O'Connor, editor the Fire Casualty & Surety Bulletins; H. B. Hewett, First Kentucky Fire, and C. M. Anderson, executive vice-president Memphis chamber of commerce, were scheduled. The meeting closes with the election of officers and the executive committee Friday.

Charles L. Gandy of Birmingham was unable to attend and deliver his scheduled address because of illness. Sidney O. Smith of Gainesville, Ga., national executive committeeman, was summoned to substitute.

The first requirement of a salesman is a full knowledge of what is to be sold, said H. D. Forrester, state agent Liverpool & London & Globe, in his talk, "The Local and Special Agent of Today." The agent should make a self-analysis.

Mr. Forrester said the hand shaking type of special agent has gone, and the field man today should be able to give worthwhile suggestions to help the agent run his office and get additional business.

The Tennessee Fire Underwriters As-

sociation now has a committee of five to assist agents in combating non-stock competition. The company men are committed to the theory that an agent can't properly represent both stock and mutual companies. The salesman must himself be thoroughly sold on the article he is offering, and stock and mutual insurance are, so to speak, different articles.

The stock companies, he said, "when they cannot secure sufficient business through agency channels to permit them to operate at a profit, must of necessity make changes in their methods and modes of operation."

### Opposes Stressing Price Feature

"When we stress the price feature to the exclusion of everything else, we are playing right into our non-stock company competitor's hands. Their policies are sold on price and when we talk price exclusively, we admit to our prospects that price rather than security should be a paramount consideration."

He said many mutuals have failed to earn a large percentage of the dividends which they have paid in recent years and if dividend payments are reduced to a point commensurate with recent earnings, their policies offer little attraction in the way of savings.

He said no subscriber of a reciprocal may feel confident that he has pur-

chased security against loss until he has obtained a list of all the subscribers to the exchange and checked the financial responsibility of each, which is seldom practicable.

A 25 percent gain in membership and the establishing of the association on a solvent basis for the first time in several years were the highlights of the report of Secretary L. M. Ross of Gallatin at the opening session.

Membership increased from a low of 152 to 196 on Sept. 1. Half of this gain was attributed to the local board at Chattanooga.

Secretary Ross reported he has requested the National association to employ a field representative whose services should be available for limited periods for the solicitation of members in states which do not have full time secretaries, the state association to pay his expenses. Membership in the Tennessee association is coextensive except for the Memphis Insurance Exchange.

"I think," said Mr. Ross, "that the time is coming when the insurance companies will look upon the state and National associations as a part of the insurance business and not put us in a class with labor unions controlled by communist agitators trying to put something over on the companies. There never was a time when the companies, the field men and the agents needed more the cooperation and mutual understanding than the present."

Last year the Tennessee association showed a balance of \$38, but owed the National association \$585. Today, Mr. Ross reported a balance of \$116 with all bills paid.

### Old-Timer Surprise Speaker

W. E. Metzger, president of the Tennessee association from 1908-12, and chairman of the national executive committee from 1909-11, formerly of Nashville and now of Portland, Ore., was a surprise speaker. He recalled the old fights of agents to hold whisky and tobacco business and praised the work of C. B. H. Loventhal as secretary of the Tennessee association in those days. Mr. Metzger went to Seattle in 1918 and engaged in the adjusting business in Spokane and Tacoma until he retired last year.

## Indiana Department Shuts Down on Fictitious Fleets

INDIANAPOLIS, Oct. 3.—No longer may privately owned cars be included in fleet coverages in Indiana, according to a ruling promulgated by Commissioner McClain. "Fleet insurance shall be designated as a contract or policy covering five or more automobiles and/or trucks under one ownership and used chiefly for business purposes, and no individually owned cars and/or trucks, other than as permitted by the above, shall be included in such fleet contracts or policies at fleet rates."

There has been plenty of complaint that the spirit of fleet writing has been flagrantly violated in Indiana and the commissioner indicates that he intends to see that the new ruling is enforced. Through loose practice in fleet writing, not only do companies and agents suffer through diversion of business and reduction in premiums but the state also loses some tax revenue, as the tax is charged against premium receipts.

### Employers Officials in U. S.

NEW YORK, Oct. 3.—Sir Courtauld Thomson, chairman of the board of the Employers Liability, and Viscount Knollys, managing director, are due to arrive here tomorrow for a visit to the United States and Canadian headquarters.

### Chapman Elected Secretary

R. R. Chapman of San Francisco, manager of the Pacific Coast department of the Corroon & Reynolds group, has been elected secretary of the American Equitable.

# DO THIS

To obtain prompt  
plate glass replacements  
for your Chicago assureds

## DIAL MOHawk 1100

● Plate glass breakages have been traced to many causes. Atmospheric conditions, crowds pressing against windows, tight window bands, motor accidents and heavy winds are a few of the most common items.

● With the glass subject to so many different kinds of hazards and with hundreds of sales lost every time window displays are rendered ineffective because of broken glass, you must deal with a dependable, proven company that will replace glass promptly, efficiently and courteously. Such an organization is the American Glass Company, the leader in the Chicago plate glass field.

Remember American Glass for plate glass.

# AMERICAN GLASS CO.

1030 North Branch St.  
CHICAGO



## Additional Premium Demands Are Criticised in Michigan

### CHECK STATE FARM MUTUAL

Utilities Commission Complains of  
Large Increase in Second Pre-  
mium on Truck Lines

LANSING, MICH., Oct. 3.—An inquiry has been launched by the Michigan department into procedure of the State Farm Mutual Auto of Bloomington, Ill. Complaints have recently been filed by officials of the state public utilities commission to the effect that the Bloomington carrier has been causing an excessive number of cancellations among commission-licensed trucks by taking on the risk at an extremely low figure and then "reclassifying" it and demanding an additional premium or "advance deposit," usually amounting to at least twice the original deposit. The utilities commission has had ten such cancellations within a short period of time and submitted the case to the insurance department to discover why agents of the carrier were seemingly going so far astray in their original ratings. Cancelling of the required coverage for contract and common carrier trucks, which are regulated by the commission, involves much extra work by the commission, obviously inconveniences the truckline operators and perhaps deprives them of license, and proves generally bothersome to all concerned. Unless there is a logical explanation for the practice, the commission has indicated that it will disapprove all policies obtained from this carrier and will refuse to allow it to furnish coverage for commission-licensed vehicles.

The department's communication to the Bloomington carrier cites the utili-

ties commission's experience and asks whether the practice of writing the policy originally at a low rate and then demanding an additional deposit is "intentional or not." A detailed explanation is asked. One of the typical form letters to an insured demands an additional advance deposit of \$128 on an original deposit of \$50. It is explained in the communication that the reclassification is the result of additional information provided by the insured who has been asked to fill out a "truck owner's inspection report" form. The insured is given notice that his coverage will be canceled unless the additional sum is forwarded within 10 days.

The mutual's method of assessment is to charge an advance deposit supposed to cover the risk for the first six months and then to make an additional assessment for the remainder of the year on the basis of experience for the first six months. Usually the annual premium thus amounts to about double the original advance deposit.

### Not for General Creditors

MONTGOMERY, ALA., Oct. 3.—In connection with the receivership of the Southern Surety, Circuit Judge Jones ruled that the special trust fund of \$50,000 required to be deposited with the state treasurer by foreign corporations doing surety business in Alabama was primarily for the benefit of the holders of official or statutory bonds and did not benefit resident holders of obligations generally, whether of a public or private nature.

It was contended by the general creditors of the Southern Surety that they were entitled to share in this fund.

### Youngers Takes Seattle Post

P. W. Youngers, for the past five years in the claim department of the Home Indemnity in San Francisco, has been appointed claim manager in Seattle for the Royal, Eagle and Globe Indemnity companies.

## Safety Council Concerned By Increased Auto Deaths

### ANNUAL MEET IN CLEVELAND

President Long Says Gains of Last Two  
Years Were Not Permanent—  
Greater Efforts Needed

CLEVELAND, Oct. 3.—Approximately 8,000 visitors and delegates representing every field of safety work met here this week at the annual National Safety Congress. A special message from President Roosevelt was read to the general assembly in which he expressed the importance of safety work.

The address of John E. Long, president of the council, stressed the need of safety now as never before. "The past five years," he said, "have brought problems exceeded only by those of the war. Industry has been hard pressed to keep income and outgo balanced and safety work has inevitable suffered. The safety movement has not waited for the depression to pass. It has carried on with reduced resources but with undiminished energy. Unemployment has been widespread but those workers still on the job are needing protection more than ever. The safety movement has been rendering a valuable service to humanity and at the same time it has made a most practical contribution to industry in minimizing accident losses that could not be afforded."

### Increase in Accidents

"There is a startling increase in all kinds of accidents from the low mark of 1932. The increase is particularly noticeable in traffic accidents, and it is expected that the motor vehicle death rate will show an increase of about 20 percent over that of 1933. Many causes for this increase have been suggested. Many

motor vehicles now in use have become decidedly unsafe through wear and neglect. The newer automobiles provide greater speed and power, but there has been no noticeable increase in the driver's skill or discretion. Added to these factors has been the increasing use of alcoholic liquors by motorists. And to make matters still worse, there has been in many communities a deplorable laxity in the enforcement of traffic laws.

### Drunken Driver Problem

"The problem of alcohol is causing considerable concern to those of us engaged in both public and industrial safety work. To be sure, we were not free from this problem during prohibition, but the increased accessibility of liquor today is something to be considered. Statistics so far available have not proved drunkenness to be the outstanding cause of accidents, although many cities have reported substantial increases in accidents involving persons who have been drinking. The problem, however, is one that may readily assume serious proportions if allowed to run unchecked. The 20 percent increase in motor fatalities this year is a startling reminder that the gains of the past two years are by no means permanent, and that our best efforts will be needed during the next few years."

## OPPORTUNITY For Experienced Compensation Producer in Texas

Young man under age of forty, at present employed in Texas, with thorough knowledge Compensation Insurance who is acquainted with and in position actively solicit large compensation risks in Texas. Stock Company writing Compensation Insurance exclusively in Texas under special plan. Remuneration to be determined by experience and ultimate results. Do not reply unless you can fully qualify as above, in which event give complete details experience, present and past employment.

**TEXAS INDEMNITY  
INSURANCE CO.**  
Galveston, Texas



# GENERAL REINSURANCE CORPORATION

*Casualty - Fidelity - Surety*

90 JOHN STREET, NEW YORK ▼ 200 BUSH STREET, SAN FRANCISCO

## ACCIDENT AND HEALTH FIELD

### Hospital Information Rule

#### New York Supreme Court Holds That Records in Such Institutions Are Clearly Privileged

The New York supreme court has handed a decision which will have a far reaching effect on claims. The case is Jacob Belsky, plaintiff, vs. Continental Casualty. The company desired to inspect the records of the Sydenham Hospital in New York City, the New York Post Graduate of New York City and the Aurora Health Farm of Morristown, N. J., where it was claimed the assured had been confined. It desired to ascertain first, the diagnosis of and nature of the ailment, the commencement and duration, physical condition, the medical history of the assured and the treatment. It was contended by the company that the policyholder had misrepresented in his application his condition, stating "that he had never had nor had been told that he had nor consulted any physician or practitioner for any symptom or manifestation of disorder of the digestive organs or ailment, disease, injury or operation."

The Continental Casualty in its defense claimed that these statements were "false and materially affect the acceptance of the risk and the hazard assumed." The company requested the court to instruct the policyholder to give his permission to the company to get the hospital record. The company held that it had repeatedly asked the plaintiff to give such permission but he had refused.

The attorney for the assured opposed the granting of this permission on the ground that the matter in these records constitutes privileged communications and cannot be obtained by the insurance company for the purpose sought with respect to its defense. Supreme Court Justice Rosenman in his decision stated, "The records of the hospital are clearly privileged and no inspection will be ordered."

### Regional Convention Held by Two Omaha Companies

The first regional convention of the Mutual Benefit Health & Accident and United Benefit Life was held at French Lick, Ind. Indiana, Ohio and Illinois were represented by some 30 salesmen from the Indiana state office, 12 from the Springfield, Ill., and Chicago offices and 12 from the Ohio state office in Columbus.

Fourteen leading managers met for two days preceding the two-day convention. These serve as an advisory committee. Dr. C. C. Criss, president; S. C. Carroll, health and accident authority,

C. C. Forbes, D. M. Brovan and E. D. McKim were among the home office officials attending, and also R. H. Hawkins and Frank Finch, chief underwriters, respectively, of the accident and life companies. Redfield & McGurk, managers of the Indiana state and Chicago offices, were hosts.

### Discuss California Convention

LOS ANGELES, Oct. 3.—The Accident & Health Managers Club of Los Angeles at its September meeting discussed plans for the annual convention of the California Accident & Health Insurance Association, to be held at Mark Hopkins Hotel in San Francisco Oct. 6, together with the program for the meeting, which includes a number of speakers from this club. The nominating committee submitted the following names: For president, Earl W. McGary, Northern Life; vice-president, C. M. Beall, Inter-Ocean Casualty; secretary, Otto Kloppenburg, Hartford Accident.

Plans for formation of a local association of accident and health salesmen were also discussed. President McGary named a committee composed of P. H. Ackerman, Rowan & Co., chairman; Mr. Beall and W. E. Leiby, Massachusetts Indemnity, to investigate the subject and report to the club.

### Issues Two New Contracts

The Columbian National Life has brought out two new accident contracts, an automobile accident form and a medical reimbursement form, which can be sold to any one, including married women. The automobile accident form is sold in either of two units, for \$10 annual premium with \$3,750 principal sum and \$25 weekly or \$12 premium, \$5,000 face amount and \$25 weekly, limit being 26 weeks. It is issued to men and women ages 18-59, inclusive, all classifications, and renewed to age 65 for males and 60 for females. It is similar to the travel accident form sold by most members of the Bureau of Personal Accident & Health Underwriters. It pays \$10 per week for partial disability not exceeding four weeks, gives \$15 a week hospital and graduate nurse benefits not exceeding four weeks, \$10 for surgeon's fees for nondisabling injuries and identification indemnity of \$100.

### Claim Association Opens Season

The first fall meeting of the Chicago Claim Association, to be held the evening of Oct. 10 at the Hamilton Club, will be featured by an illustrated talk on the "Importance of Ocular and Clinical Photography in Relation to Disability Claims," by W. R. Uhlemann of the Uhlemann Optical Company of Chicago, assisted by R. W. Bennett, a photographer connected with that company,

who has developed a camera that has been used with especial success in taking photographs of the interior of the eye.

### Cleveland Congress Oct. 19

The Cleveland Accident & Health Managers Association will hold its big sales congress Oct. 19. The affair proved an outstanding success last year. A program of inspiration for the producer is being arranged by the speakers committee headed by R. B. Coffman of the Pacific Mutual.

### Ask New Teachers Group Bids

DETROIT, Oct. 3.—New bids on group accident and health coverage for the Detroit Teachers Association have been asked. Bids were originally sub-

mitted by the Michigan Life, National Casualty, Washington National, Continental Casualty and Provident Life & Accident on one plan and by three of them on a substitute plan. The bids were almost identical and the board was unable to reach a decision.

### United Casualty's Good Gain

The United Casualty of Westfield, Mass., reports an increase of 24 percent in its premium income for the first nine months of 1934. The "birthday week" contest conducted recently by the company was particularly successful. The prize winners in that contest were Messrs. Gannon of West Virginia, Cox of Massachusetts, Schwartz of Pennsylvania, Corthell of New York and Eisenberg of New York.

## WORKMEN'S COMPENSATION

### Much Preliminary Work Done

#### Improper Practices in Michigan Compensation Business Expected to End With Start of New Bureau

DETROIT, Oct. 3.—While the new Michigan Compensation Rating Bureau under Manager A. S. Cowlin did not officially begin to function until Oct. 1, considerable preliminary work was done by Mr. Cowlin and his staff in checking renewal policies. Misclassification of risks and more or less downright rate-cutting in all sections had been prevalent in Michigan, a favorite practice being to name a very low figure on the Michigan plants of corporations operating upon a nation-wide or a territorial basis, thereby reducing the average rate for the properties as a whole, although charging full tariff in the regulated states. With the creation of the Michigan bureau, improper practices in the state will come to an end, although it is appreciated Manager Cowlin will have his hands full for some time.

### Hearing in Minnesota

Commissioner G. W. Brown of Minnesota will hold a hearing in St. Paul this week in connection with the revised workmen's compensation rates filed sometime ago and which were to have become operative Oct. 1, had official sanction been given. The proposed rates call for an average increase of 14.5 percent, the companies maintaining that the advance sought is justified by the loss record of the state.

### Reopens Case

LANSING, MICH., Oct. 3.—Re-opening a case after the injured has been employed four years in another occupation at higher salary, the Michigan compensation commission allowed Monroe Coleman a partial disability award of \$6 per week. At the time of

injury, when he lost a finger, he was given \$10 weekly and signed a settlement receipt after \$22 had been paid. The receipt never received approval of the compensation commission. The decision of the supreme court in Coleman vs. Whitehead & Kales Co., upholds the partial disability award.

### Stock Companies Not Satisfied

MILWAUKEE, Oct. 3.—The mutual companies voted to accept the findings of Commissioner H. J. Mortensen of Wisconsin granting a 5 percent increase in compensation rates while the stock companies maintained the position that the original 14.9 percent increase is necessary at the meeting of the Wisconsin Compensation Rating & Inspection Bureau's rating committee. The resolutions of both groups will be submitted to the commissioner. It is expected the commissioner will favor the resolution of the non-stock companies which is in accordance with his granting of 5 percent.

### Compensation Board Changes

B. P. Petrie of Elkton, Ky., has been made chairman of the Kentucky compensation board to succeed H. B. Miller of Lexington, who remains a member of the board.

W. H. Nickels, Jr., whose term as a member of the Virginia industrial commission expired this week, succeeds himself for another term of six years. He is retiring as chairman of the commission, giving way to P. P. Deans, another member, under rotation rule.

### Charity Worker Not Employed

LANSING, MICH., Oct. 3.—A soup kitchen employe taken from the ranks of the indigent being fed by the charitable enterprise and paid but 50 cents a week plus an extra meal daily is not an employe within the meaning of the workmen's compensation act, according to the Michigan supreme court. The case is Earl Davenport vs. Detroit.



### AGENTS

We can use a few high class reliable agents in towns where we are not already represented.

## A Sound Stock Company

writing a preferred line of Automobile  
and Plate Glass Insurance.

(Ratio of Assets to Liabilities more than 3 to 1.)

**SUBURBAN AUTO INSURANCE COMPANY**  
LOMBARD, ILLINOIS



## PUBLIC RELATIONS WORK NEEDED

(CONTINUED FROM PAGE 27)

in commissions, partly in added overhead, and partly in handling accommodation business. The agent must be educated to a realization of this fact. He cannot expect to sell on a net cost basis. He must justify a higher cost on the basis of the value of his personal service.

**Selection of Risk Important**

"But at the same time he can help in many ways to bring about lower rates. He can be a leader, or at least an ardent worker, in community movements designed to improve traffic conditions, to promote safe driving, and to remedy bad claim situations." In addition, the importance of risk selection and the part the agent can and must play in it must constantly be hammered home. "Appreciating to the full his own problems as a salesman, nevertheless he should give him more intimate understanding of the company's problems as their solution will frequently lead to improvements in his own situation."

Casualty companies have been requested to furnish information on the tendencies to extend the workman's compensation laws into other fields of social insurance to President Roosevelt's committee on economic security.

**Close Harmony Necessary**

These tendencies are or should be as gravely concerning to industry, he said, as they are to insurance, and are one of the many reasons why closer relations should be established with all parties affected or interested by casualty insurance problems. This would include the insurance commissioners, the industrial accident boards and commissions, employers associations, chambers of commerce, trade associations, labor organizations, medical societies, hospital associations, and others who might be expected to have comparable public rela-

tions problems. "We have plenty to tell all of these bodies about our problems and what we are doing to solve them and how they can cooperate and help."

**Need Good Public Relations**

"It may be said that casualty insurance by its very nature requires good public relations; that it has at the moment, and for that matter will continue to have, problems, the proper solution of which requires the cooperation of other interested groups; that some work in this direction has been done but that the surface only has been scratched; that the companies must strive constantly to so conduct their business as to be deserving of public support; that more educational work must be done with the agents; and that there should be established and maintained favorable contacts and friendly relations with public officials, industrial and labor leaders, insurance lawyers, doctors and others who are interested in or concerned with our problems.

**Immediate Action Desirable**

"A great deal of this contact work must fall upon individual company representatives, claim adjusters, payroll auditors, engineers, special agents, department heads and executives. The education of the agents and the preparation of the ground for the establishment of favorable relations with public officials and others must rest largely with the advertising and publicity men of the companies. The method of approach, the medium to be employed, the extent to which group action may be advantageous—these and many other similar considerations are outside the scope of my experience—those are matters for you to decide. All I can say is that the need is great and the time is ripe, so for heaven's sake, get busy!"

Federal Control  
Is New Bugaboo

(CONTINUED FROM PAGE 27)

cently effected a new organization termed the Association of American Railroads, its purpose being "to promote trade and commerce in the public interest, further improve railway service and maintain the integrity and credit of the industry."

J. J. Pelley, former hard-headed and two-fisted president of the New York, New Haven & Hartford railroad, has been induced to resign and assume management of the new organization. Under his vigorous leadership it is anticipated that railway interests will be allowed to work out their own destiny unhampered by excessive governmental regulation from which they have suffered so severely in the past, and which probably would be the fate of the insurance business if it too were made amenable to national supervision.

**Agrees to National Surety Plan**

The Sun Life of Baltimore has approved the reorganization plan for real estate securities guaranteed by the old National Surety Company, proposed by the reorganization managers and approved by the supreme court of New York. For some time the Sun Life has opposed some features of the proposed plan. However, there have been a number of conferences and an agreement was reached.

**Employers Liability and Missouri**

BOSTON, Oct. 3.—E. C. Stone, United States manager of the Employers Liability emphatically denied any rumors to the effect that the company was considering withdrawing from Mis-

souri. "Missouri was one of the first states in which the Employers was licensed, after it started to do business in this country in 1886," said Mr. Stone. "We've been in Missouri ever since. During the intervening years there have, of course, been changes in representation in that state. Any such change in representation does not mean, nor should any implication be drawn, that we plan to withdraw from the state." In addition to the Insurance Agency Co., Myers & Wendling, and F. D. Hirschberg & Co., all of St. Louis, are general agents. The Employers group is represented throughout Missouri by several local agents and maintains a service office in Kansas City with E. F. Moore as agency supervisor.

**Mobilize Traffic Drive**

SAGINAW, MICH., Oct. 3.—Members of the Saginaw Association of Insurance Agents are assuming most of the responsibility in the mobilization of a "citizens' traffic squad" which will assist police in reducing the excessive accident toll. It is planned to enlist the services of 100 business and professional men who will be deputized to make arrests in cases of traffic violations and generally to assist in enforcing the traffic laws.

**Crowley Succeeds Cowlin**

DETROIT, Oct. 3.—F. B. Crowley, assistant manager of the Chicago branch of the National Bureau of Casualty & Surety Underwriters, has been appointed Detroit branch manager to succeed A. S. Cowlin, who resigned to become manager of the newly created Michigan Compensation Rating Bureau. The Detroit bureau will be continued on a reduced scale. Before going to Chicago Mr. Crowley was branch manager of the bureau in Indianapolis.

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## New York's New Automobile P. L. and P. D. Rates Lower

(CONTINUED FROM PAGE 28)

whether the revised rates are applicable to outstanding policies, Superintendent Van Schaick states they are effective only as to contracts operative on or after Oct. 1. All policies issued prior to that date must run to expiration at the rates then in force, unless assured elects to cancel at short rate.

The *Globe & Republic* of the Corroon & Reynolds fleet has been licensed in Oregon. Phil Grossmayer, Portland, has been appointed general agent.

In looking back over the growth of your own business, what were the factors that aided in that growth?

Giving a fair deal, or making an honest effort to do so, was one, no doubt, just as it has been with THE PREFERRED ACCIDENT.

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Wilfrid C. Potter, President

## Oklahoma Insurers Hold Annual Meet

(CONTINUED FROM PAGE 11)

Probably the outstanding work of the association during the past few months has been that of the grievance committee established at the mid-winter session of which E. W. Clarke of Oklahoma City is chairman. All grievances of whatever nature of any members of the association are taken up with the committee which in turn gets in touch with the special agents of the companies involved to smooth out the difficulties. The special agents have been most heartily cooperating with the grievance committee, with the result that many disputes and misunderstandings that in the past would have probably grown and caused considerable ill-feeling have been smoothed out. In some cases agency representation has been withdrawn because of unethical practices of the agents involved.

President Frates reviewed the work done by the association during the past year. Self-regulation is better than any code, he said. By cooperation agents can overcome most, if not all, of the ills of the business which can not be done by the members as individuals.

Secretary McCurdy's report covered the minutes of the last annual meeting and the financial statement.

### Predicts Efficient Administration

Vernon Sills, Ponca City, stated that he is absolutely certain that whichever nominee for governor is elected, qualified men who will work for the best interest of business insurance and the public will be appointed on the insurance board, and that insurance will get different results from this board than in the past.

There was considerable discussion regarding automobile guest liability and fictitious fleet coverage. On motion of Fred Daniels of Tulsa the meeting voted that a committee be appointed to wait on the insurance board to ask them to approve the comprehensive automobile policy in Oklahoma.

Frank T. Priest, Wichita, Kan., opened the afternoon meeting by bringing greetings from the National association and outlined what is being done by the National association to get business away from the various automobile finance companies, and how the National association is contacting life companies to save insurance on property that has been foreclosed. He mentioned also the resolution adopted at Grand Rapids asking Congress to forbid mail service to companies not entered in the various states. One good thing about depression, he said, is that it has put people back to real work. The men who are best informed about insurance get the business, said Mr. Priest. He gave various sales suggestions. Buyers should be shown what insurance will do for them. As the small contracts are the ones that really bring in the income and pay expenses, the small buyer should be constantly contacted.

### Breeding Tells of National Meet

Buford Breeding, Oklahoma City, outlined briefly what had been done at the National convention at Grand Rapids, with particular reference to the HOLC and CCC insurance. He made a plea that the members of the state association pay the assessments of the National association of \$1 per member to help maintain the new office in Washington. In closing, he stated that there is a feeling throughout the state that Oklahoma City and Tulsa were getting practically all of the state officers. This, he said, is because the agents of those two cities are doing most of the work and that he would be most happy to have the agents of other cities get more active in association work, in which case they would be sure to get their share of the officers.

H. K. Lininger, special agent Springfield Fire & Marine, described the difference between stock, mutual, Lloyds

and reciprocal insurance. Stock companies are writing about 90 percent of the business in the United States.

Frank C. Beazley, special agent Phoenix of Hartford, discussed the various inland marine lines and gave some valuable suggestions as to how this business can be written. It is the job of all agents to educate their clients regarding the possible loss hazards their present policies do not cover. He suggested that agents call on their field men for assistance in writing this business. After Mr. Beazley's talk there was considerable discussion regarding various forms of inland marine, particularly about the personal property floater policy, which is designed to give, as far as possible, complete coverage.

### Talks on Accident and Health

Frank Harris, Dallas special agent Continental Casualty, discussed health and accident insurance as a fertile source of income for agents. He gave many helpful suggestions for securing this business. In writing accident the agent probably can find out more about the prospects than he can do from writing him any other insurance, which in turn is helpful in writing the other lines. Many agents, he stated, seem to feel that health and accident is a source of grief, but this is not so when the agent knows what he is selling and explains to the prospect exactly what he is buying. The prospect should be acquainted with the exclusions in the policy contract, so that in case of an accident the policy holder will not be dissatisfied when he finds that he is not covered.

### Gives Pointers on Coverage

When an agent knows a policy and properly sells it, all dissatisfaction will be overcome. It is an easy coverage to sell because it is not a case of whether the prospect can afford it, but if he can afford to do without it. A man can insure his tangible assets, but he cannot insure his intangible assets, which are in reality personality and ability. Through health and accident insurance a man can insure his earning power which makes possible his tangible assets. If the prospect says he cannot afford the premium, the agent can show him how much harder it would be for him to get along should his earning power, out of which his premium is paid, should be cut off.

### Sessions Tells of Plans

Ansel Earp, Oklahoma City, gave a brief outline of the legislative outlook. President Sessions stated that it is his intention to divide the state into districts and to appoint one agent in each district who will be responsible for new members in his district. Members should realize the association is at all times working for them and that they can afford to spend time working for the association, he said.

Reporting forms were discussed by R. W. Crow, special agent of the Glens Falls. Reporting forms are not new but they have been overlooked by a number of agents who do not realize their advantage over specific insurance. These forms were designed primarily to protect single owners against the daily fluctuation in value of their merchandise at multiple locations. The advantages of the specific reporting form over the specific insurance are many. There is considerable saving in cost to the assured as he only pays for the monthly average over the year. There is no under insurance nor over insurance. He is protected at all times up to 100 percent of the values, subject of course to the limits of liability stated in the policy. The owner is also automatically protected for any new location he might have at any time, although the new value in the new location must be included in the next regular monthly re-

port. Instead of having a dozen or more policies covering in each location, as is generally the case with specific insurance, under the reporting form one policy covers all locations. In writing insurance under the reporting form it is not necessary to wait for specific coverage to expire, as it can be allowed to run to expiration and assumed in the reporting form as it expires. Due consideration is given for the unearned premium on existing specific insurance in figuring the provisional premium of the reporting form, so that the assured will not be paying twice for the same protection.

### Convention Notes

The following field men were registered at the convention: L. S. Hodges, Aetna; J. E. Wilkerson, Kansas City Fire & Marine; R. E. Mugg, Home; C. H. Kelly, Home; H. H. Strayer, Central Surety; R. W. Crow, Glens Falls; R. W. Stewart, Providence Washington; Lee Morgan, Old Colony; H. K. Lininger, Springfield F. & M.; R. M. Senn, St. Paul; K. R. Rone, Sun, and E. P. Smith, state agent Home.

\* \* \*

In accordance with the custom established two years ago the convention was confined to one day, there being no social features other than an entertainment during the luncheon.

\* \* \*

The program was so arranged that all routine matters and all matters of peculiar interest to the local agents came up at the executive session in the morning, to which only local agents were admitted.

\* \* \*

As the officers were elected at the morning session, President Joe Frates of Tulsa presided at the morning session, and Addison Sessions, the newly elected president, presided at the afternoon meeting, which was open to all.

## Consider Possibilities of Pro-rating Reimbursement

(CONTINUED FROM PAGE 29)

uniformity in handling claims under it be followed and claim men are comparing notes to that end. There does not appear to be the slightest inclination to extend the reimbursement feature to health contracts, sentiment holding that the latter type of indemnity requires most careful handling and does not permit of experimenting in any way.

Although experience so far on the reimbursement feature was conceded to be fair, the consensus was that sufficient time had not elapsed on which to base definite conclusions as to the future. Some underwriters recalled that experience of companies writing workmen's compensation with medical costs in the early days was satisfactory, but as doctors and surgeons more generally became aware of the possibilities in claim making, their charges were boosted to a point that was burdensome to carriers. Whether this experience will be paralleled in medical reimbursement payments is an important phase of the situation upon which underwriters are speculating.

### Need Court Definition

As to the life indemnity feature of accident policies, the prevailing thought is that until a decision can be secured from a court of first jurisdiction as to what really constitutes permanent total disability, it would be unwise to experiment further with this form of protection. The several court decisions upon which life underwriters have been predicating their operations, are not, accident men say, sufficiently comprehensive and final to warrant active development of this coverage.

The general attitude of accident and health underwriters just now is one of strict conservatism, the feeling being that until general economic conditions show positive improvement and appear to be stabilized, it behooves casualty companies to confine their efforts upon which experience has demonstrated they may safely proceed.



# RECENT COURT DECISIONS

## CASUALTY & SURETY

### Release Is Held Fraudulent

**Mutual Benefit Health & Accident Is Ordered to Reinstate Policy and Pay Assured \$1,835**

The United States District Court for the district of Minnesota has set aside a settlement made between the Mutual Benefit Health & Accident and Litchy, an assured, and reinstated the policy, judging it to be in full force and effect.

On July 10, 1931, Litchy bought an accident and health policy from the Mutual Benefit. On Sept. 15, Litchy was injured in an automobile accident, becoming totally disabled. He was entitled to recover \$100 per month plus \$40 for medical during the full period of his total disability. He presented his claim for compensation from Sept. 15, 1931, to April 15, 1932. An agent of the Mutual Benefit made a settlement for \$500.

On July 10, 1932, Litchy was suffering from tuberculosis, being totally disabled. At the time the \$500 settlement was made the Mutual Benefit knew that Litchy was tubercular and knew that he would be disabled for a long time. The agent told Litchy that the policy would be cancelled and that he could not recover any compensation for tuberculosis. This statement, the court held, was false and the agent knew it was false. The agent further stated that Litchy would not be disabled for longer than four weeks and so could not draw any compensation under the policy. This statement was also false and the agent knew it was false. The agent then offered Litchy \$100 to sign a release and surrender the policy, threatening that if he did not sign the company would cancel the policy and Litchy would receive nothing. The agent knew this statement was false and it was made to defraud and cheat Litchy and to induce him to surrender the policy, the court said. Litchy, not realizing his condition, believed these statements, and accepted the \$100, signing a release and surrender.

At the time when these representations were made, Litchy was very sick and was suffering from a high fever.

There is now due under the policy \$100 a month commencing April 15, 1932, up to Sept. 15, 1933, and also \$135 for hospital expenses. Litchy is entitled to judgment against the Mutual Benefit. Litchy is awarded \$1,835 compensation under the policy.

### Sidewalk Accident Held

**Covered by O. L. & T. Form**

The Massachusetts supreme judicial court recently rendered a decision, construing whether an accident occurred in a place covered by the terms of a general liability policy. The decision went against the insurer, the Royal Indemnity. The case was Levy vs. Holland System, Inc., et al.

Levy was injured on a sidewalk adjacent to property within the possession and control of the Holland System and the injuries were due to a defect in the hyatt light cover, for which the Holland System was responsible.

The higher court held the evidence warranted the finding that the premises described in the policy included the sidewalk on Essex street at the place of the accident. The finding that the policy issued in 1927 was the renewal of a previous policy and covered the same premises was warranted from the evidence and the reasonable inference is to be drawn.

### Hansen & Rowland Recover

**F. & D. Must Pay Under Fidelity Bond for Loss Caused by Head of Subsidiary.**

The United States circuit court of appeals for the ninth circuit (Washington) has awarded judgment to the Hansen & Rowland general agency and against the Fidelity & Deposit under a position bond, because of the action of the former president of the Webster Company of Portland, Ore., in over-drawing his account, during the period that the Webster Company was a subsidiary of Hansen & Rowland.

The Webster Company was organized in 1929 by Hansen & Rowland, and the president and secretary of the Webster Company were included in the position bond of Hansen & Rowland. On April 20, 1931, Hansen & Rowland sold its interest in the Webster Company, and the coverage of the bond as to the Webster Company was canceled. In the fall of 1931 Hansen & Rowland discovered that the president of the Webster Company had overdrawn his account \$23,000 between December, 1929, and April, 1931. The F. & D. refused to recognize the claim, contending that Hansen & Rowland cannot recover because it ceased to have an interest in its former subsidiary and because it has proved no loss for acts within the terms of the bond.

The higher court held that the rights of parties under a contract are to be measured by what occurs during the life of a contract and not by what may happen after the contract has terminated. The sale of Hansen & Rowland's stock

in the Webster Company has not deprived either company of the right to sue for losses occurring while the bonds were in force and while the relation of parent and subsidiary subsisted. The money is gone; the part of it that one company has not lost, the other has lost. Jointly they were indemnified and jointly they are suing.

### Service Station Is Defined

**Court Finds the Business Was Such As to Come Within Exclusion of Omnibus Clause.**

The Pennsylvania superior court has held that a store selling oil, gas, tires and other automobile accessories is a service station and comes within the policy exclusion which reads: "This coverage shall not extend to any public garage, repair shop, sales agency or service station and/or employees thereof." The case was Alberga, use of Colton, vs. Pennsylvania Indemnity. Colton was proprietor of such a store at Fifty-third and Walnut streets, in West Philadelphia. Alberga, the insured, stopped at the store and asked to have his automobile greased. There being no greasing rack, Colton said he would take the machine to another place, conducted by relatives. Colton asked permission of Alberga to use the machine for delivering tires which he had sold to a customer. While on his way he had an accident for which he was sued and a verdict was recovered against him. He claimed he was protected by the additional interest or omnibus coverage clause of Alberga's policy.

The court held that the words "service station," with the development of the automobile business have acquired a well defined meaning. In the ordinary understanding, they apply to the business conducted by Colton.

### Aetna Casualty as County Treasurer's Surety, Liable

The Aetna Casualty has been held liable by the United States circuit court of appeals for the seventh circuit (Illinois) to certain bondholders of the Kishwaukee special drainage district, who suffered loss because County Treasurer Decker erroneously mispaid funds. The Aetna Casualty was the surety on Decker's bond.

Decker received money which came in the sale of bonds by the Kishwaukee drainage district. This money he erroneously, although in good faith and upon the advice of counsel, paid the holders of other bonds previously issued by the drainage district. The lower court held that Decker's payment of the previously issued bonds out of the proceeds of the last issuance was erroneous and illegal and he was liable. The question was whether the Aetna Casualty was also liable.

The Aetna Casualty contended that Decker held two offices, being treasurer of the county and also treasurer of the special drainage district.

The court held that the statute which made the county treasurer the treasurer of the special drainage district did not create a new office, but merely added new duties to the incumbency of the existing office of county treasurer. They held that his liability as treasurer of the drainage district was the county treasurer's liability for which his surety as county treasurer was also liable.

### Policy Never in Force

Even though the agent filled in an application blank, which recited that the policy was to take effect on the day following the date of the application, no policy of insurance ever became effective because the agent had neither apparent nor ostensible authority to bind the insurer, the California district court of appeals, fourth appellate district, has held in Hansen, et al, vs. Farmers Automobile Inter-Insurance Exchange. The application was never accepted by the exchange and the tendered premium was refused.

amount to a waiver or work an estoppel. By requesting the Denver Mutual Fire to endorse its consent to change of ownership, the Central Life requested the insurer to waive that provision and to evidence such waiver by endorsement and return of the policy. Assuming that the insurer retained the policy and maintained silence, there was nothing about such conduct to establish a waiver of the breach or to estop the insurer from claiming suspension by reason of the breach as against the Central Life.

### Western Grain Dealers

**Loses Suit Against Agent**

Judgment against the Western Grain Dealers Mutual Fire and in favor of the Garrison Insurance Agency has been affirmed by the Kansas supreme court. The Western Grain Dealers instituted action against the Garrison agency for premiums collected. The agency, by cross petition, alleged the contract had been modified by subsequent agreement by which it was to have additional commissions contingent on percentage of loss compared to premiums.

The supreme court held there was sufficient evidence to support the finding that the original agency contract had been so modified by subsequent agreement and that such agreement provided for the contingent commission to be computed upon the percentage of loss compared to the gross premium.

## FIRE & MARINE

### Unexpired Liability Assumed

**Bankers & Shippers Loses Contest Over Reinsurance of Certain Risks of Home Fire of Arkansas**

Under a contract, by which an insurance company picks up the unexpired liability of a failed company for an agency, the assured is not required first to exhaust his remedy against the failed company and its receiver, before bringing suit against the reinsuring company. This was the decision of the United States circuit court of appeals, eighth circuit (Arkansas) in Bankers & Shippers vs. Murdock, et al.

**Adjusted by Receiver**

Block, the agent, insured Murdock's cotton gin in the now defunct Home Fire of Arkansas. When the Home Fire began to totter, Block made a deal with the Bankers & Shippers to take over the unexpired liability. Murdock suffered a loss which was adjusted between him and the receiver for the Home for \$10,000.

The contract was in the form of a telegram. The higher court held that the telegram expresses an absolute and not a conditional guaranty of the payment of any loss suffered by any holder of an unexpired policy in the Home Fire. The guaranty was in the nature of a binding receipt. The fact warranted the conclusion that there was acceptance by the assured of the binding receipt. The lower court did not err in admitting secondary evidence of the contents of policies now lost which were issued to Murdock by the Home.

### Failure to Reply Not Waiver

**Unanswered Request of a Mortgagee for Endorsement of Policy Does Not Waive Breach**

The South Dakota supreme court has rendered judgment for the Denver Mutual Fire, a township concern, on the ground that failure on the part of the insurer to reply to a request of a mortgagee for endorsement of the policy to consent to change of ownership, did not establish a waiver of breach or estop the insurer from claiming suspension of the contract by reason of the breach. The mortgagee was the Central Life of Iowa.

Daniel Rasmussen owned a farm mortgaged to the Central Life. Rasmussen insured the property with the Denver Mutual Fire. Later Rasmussen conveyed the premises to Anton Rasmussen. When the Central Life learned of the change of ownership, it sent the policy to the Denver Mutual Fire requesting it to endorse on the policy its consent. The Denver Mutual did nothing about the situation and nearly a year later the dwelling house was destroyed.

The court held that change of title, if it does not absolutely void the policy, at least suspends it during the period of the breach and in the present case the loss occurred during the period of the breach. The provision of the policy is for the benefit of the insurer and may be waived by the insurer expressly or by estoppel. There was no conduct on the part of the Denver Mutual Fire after notice of the breach which would

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